Published
Monthly by the
NATIONAL
MUNICIPAL
LEAGUE
Vol. XXVI, No. 3
TOTAL NO. 249

NATIONAL MUNICIPAL REVIEW

CONTENTS FOR MARCH

EDITORIAL COMMENT ..... *Howard P. Jones* 110

PROGRESS UNDER THE CITY MANAGER PLAN ..... *Carlton K. Matson* 113

PUBLIC ASSISTANCE IN RELATION TO MUNICIPAL WELFARE PROBLEMS ..... *Zilpha C. Franklin* 117

THE LONDON COUNTY COUNCIL UNDER LABOR RULE *Dean E. McHenry* 124

HOUSING INSPECTION PERSONNEL ..... *Sydney Maslen* 127

ST. LOUIS COUNTY'S PROPOSED HOME RULE AMENDMENT ..... *Hubert W. Stone* 129

FINANCIAL STATISTICS OF AMERICA'S LARGE CITIES ..... *C. E. Rightor* 132

LETTERS TO THE EDITOR 137

RECENT NEWS REVIEWED

NOTES AND EVENTS ..... *H. M. Olmsted* 138

COUNTY AND TOWNSHIP GOVERNMENT ..... *Paul W. Wager* 143

TAXATION AND FINANCE ..... *Wade S. Smith* 147

PROPORTIONAL REPRESENTATION ..... *George H. Hallett, Jr.* 149

CITIZENS' COUNCILS ..... *Geneva Seybold* 151

GOVERNMENTAL RESEARCH ASSOCIATION NOTES ..... *Robert M. Paige* 153

RECENT BOOKS REVIEWED ..... *Geneva Seybold* 157

The contents of the NATIONAL MUNICIPAL REVIEW are indexed in the *Engineering Index Service*, the *Index to Legal Periodicals*, the *International Index to Periodicals* and in *Public Affairs Information Service*.

COPYRIGHT, MARCH, 1937, BY
NATIONAL MUNICIPAL LEAGUE

Editorial Comment

March, 1937

NATIONAL MUNICIPAL REVIEW

Vol. XXVI, No. 3 Total No. 249

County Home Rule in New York

THE tide of interest in the problem of reorganization of county government in the state of New York is still running strong and it appears as though substantial progress would be made again this year at the 1937 session of the legislature. Indeed, so much interest has been manifested in New York State regarding this subject that all except keen students of the field are likely to be confused as a result of the multiplicity of legislative measures which have been prepared for the purpose of designing alternative forms of government for submission to counties.

REVIEW readers will recall that New York voters approved in November 1935 a constitutional amendment requiring the legislature to present optional forms of government to counties.[1] Pursuant to that amendment, a measure generally referred to as the Fearon bill was passed by the 1936 legislature.[2] It may be said that this bill was the least satisfactory of three measures providing for optional forms of county government which were presented at that time. It became law, nevertheless, but since its provisions do not go into effect until July 1, 1937, no county has had an opportunity to take action under it.

Proponents of county reorganization in New York State hope that this law will be repealed at the present session and a more thoroughgoing measure substituted for it. While the county manager plan is provided for, it represents only a perfunctory compliance with the mandate of the people expressed in the large favorable majority received by the county home rule amendment; under it there is little a county may do which it cannot do at present under an optional county government law sponsored several years ago by the "Mastick Commission"[3] and under which Monroe County, New York, is now operating.

Two bills have been introduced into the legislature this year which represent considerable improvement over any existing provisions of law. A measure generally referred to as the Buckley bill and sponsored by the Mastick Commission provides for five basic forms of county government: the county manager plan, the county president plan, the council manager plan, the council president plan, and the selective plan.

The county manager plan provides for the continuance of the present board

[1]Amended Sec. 26 of Art. III and Secs. 1 and 2 of Art. X, New York Constitution.

[2]Article Seventeen-A of the County Law, Book II, McKinney's Cons. Laws of New York.

[3]Article Two-A of the County Law, sponsored by the New York State Committee for Review of the Tax Laws of which former Senator Seabury C. Mastick is chairman.

of supervisors and the appointment by it of a county manager to be responsible for the administration of the county business. This executive is to appoint all other county officers and employees, with the exception of the county judge, judge of the children's court, and the district attorney, all of whom are to remain elective officials and, with the exception also of an independent auditor to be selected by the board of supervisors, to provide an outside check upon the administration.

The county president plan also provides for the continuance of the present board of supervisors and the establishment of a county president who is to be elected by the voters of the county, serve as chairman of the board of supervisors, and have complete responsibility for the administration of the county business. He will have the power to veto county laws or resolutions passed by the board of supervisors except that the board by a two-thirds vote may override the veto. He may also veto changes made in the county budget by the board.

The council manager plan and the council president plan are similar to the two plans just outlined save that a county council is substituted for the present board of supervisors. The council has a small membership—five in counties under 25,000 population, seven in counties from 25,000 to 100,000, and whatever number in counties of more than 100,000 population may be specified in the petition or resolution calling a referendum to adopt the new form. Under these latter plans, the office of town supervisor is not abolished but the supervisors remain solely as town officials and the legislative business of the county is carried on by the newly created county councils.

There are several options permitted under the commission's bill as to the method of nomination and election of the members of these new county councils. They may be chosen from the county at large, from the county at large with residence in certain districts specified, or from districts.

The fifth form of government, the selective plan, is an interesting invention under which a county may adopt any one or more of the features embodied in the first four forms of government as well as any of the features which are optional for inclusion in any of the first four forms of government—thus providing the maximum elasticity possible in the direction of permitting counties to improve their governmental organizations as quickly or as gradually as they may desire. A budget system, however, is mandatory for all counties adopting a form of government under this act.

There are also a large number of options which may be exercised with regard to the transfer of functions from the various units of government within the county to each other or to the county government or the state. The bill provides a remarkably simple yet effective procedure for determining the various options preferred. It states, in the section permitting a referendum on a new form of government to be initiated either by a petition signed by a specified percentage of voters or by a resolution of the board of supervisors, that the petition or resolution shall make the selection of the possible options, the entire reorganization program then being presented to the voters as a unit.

A number of other options are provided in the bill. The sheriff and county clerk may remain elective offices or be changed to appointive offices. Counties may, if they wish, have an elective county comptroller, a county police department, a county fire commission, a

county park and recreation commission and a county planning and zoning commission.

The broadest powers of contract between various units of government are provided in the bill. Provision for units to combine with each other in the joint performance of functions is also made.

One of the features of the bill is the optional establishment of a county board of assessment review. Under the present assessment law in New York State a taxpayer who believes his assessment unjust has only the recourse of expensive court proceedings after the more or less perfunctory "grievance day" review before the assessors who made the original assessment. The proposed county board of assessment review, consisting of three members appointed by the county legislative body upon the recommendation of the county executive and the approval of the state tax commission, would remedy this evil.

Establishment of a county department of public health is also one of the optional features in the proposed law. The bill follows the present provisions of the public health law save that it provides for the appointment of the county health commissioner by the county executive from an eligible list of persons possessing qualifications approved by the public health council to be furnished by the county board of health.

The second bill, the Desmond-Mailler bill, in principle follows closely the measure just described, the two most important points of difference being that under this bill the members of the county board may be selected by varied methods of election, including proportional representation, and a county board of supervisors may be set up consisting of town supervisors as at present with members of city legislative bodies replacing the present city supervisors. The bill would also permit the transfer of functions and the abolition or consolidation of offices and units of government to a somewhat greater extent. This bill does not have the selective form of government provided by the other bill but attempts to accomplish the same purpose in a different way.

Two measures have also been introduced in the legislature designed to establish an optional form of county government to fit Westchester County. REVIEW readers will remember that the Institute of Public Administration drafted for the Westchester Commission on County Reorganization[4] an extensive reorganization proposal for Westchester County last year which went too far to suit the board of supervisors. The measures introduced this year have accepted many of the features of the institute's plan of reorganization but have dropped the plan which aroused the most opposition—the proposal to combine all the towns of the county into two towns for purposes of representation. Of these bills, the one sponsored by the board of supervisors, which is most likely to pass, falls far short of the ideal.

Meanwhile, Nassau County has adopted an improved form of county government, which will go into effect next January, providing for an elected county executive, and Monroe County seems to be operating with fair success under the county manager plan. The start that has been made toward fundamental reorganization of county government in a state so important as New York is most encouraging and gives promise of substantial accomplishment in this field over a period of years. It is apparent that citizens can get what they want—if they know what they want and will go after it!

[4]Carl H. Pforzheimer, treasurer of the National Municipal League, was chairman of this commission.

Progress under the City Manager Plan[1]

A searching analysis of Toledo's city government after a year's trial under its new charter

CARLTON K. MATSON — *Editor, The Toledo News-Bee*

I HAVE been asked to tell you what one daily newspaper editor on the job in Toledo really thinks about the progress of our city manager government. I shall tell you, and I may be wrong. In those places where I am critical of what has happened and what may happen, I hope that I am wrong.

Nobody in Toledo could want this city manager government to succeed more passionately than I want it to succeed. I worked for its installation because I thought it would be a great thing for Toledo, and I want to keep it because I think it is a great thing for Toledo.

The city manager administration got away to an excellent start here, with a good council and a city manager of unquestioned outstanding ability and experience. For the most part the administrative record of the city administration to date is as good as its start.

The financial record of this administration alone would, in my opinion, justify its continuance. Following an administration which resorted to overdrafts and defaulted on its bond payments—and I mention this with charity, for the Klotz administration was in a tough spot—the administration this year will have operated on a balanced budget and will finish the year with a surplus available to reduce past general fund overdrafts.

As a result of its good name and open dealing, the administration has succeeded in selling bonds at the lowest interest rate in Toledo's history, less than 3 per cent.

A budgetary system has been put in which means something. There is now a really effective departmental control over expenditures.

These achievements are greatly to the personal credit of City Manager Edy. Every newspaperman around city hall has developed a particular respect for the financial ability of our city manager, which I share.

Other related accomplishments of the administration have been some very economical re-equipping of the police and fire department, the complete motorization of the garbage collection division, efficient coöperation with WPA on street and park improvements for many parts of the city, restoration to city employees of part of the pay cuts, a very effective welfare program, considering the means at hand, and the financing and purchase of Transcontinental Airport.

While the above listing seems impressive to me, I think it errs, if at all, on the side of understatement. Mr. Edy is not much at telling what he is doing. He suffers from reticence about his own achievements—an admirable personal

[1]Address delivered at the Annual Conference on Government of the National Municipal League, Toledo, Ohio, November 17, 1936.

weakness, I might say, but nevertheless a weakness to anyone in public affairs.

As for the city council, it has not only showed a fine responsibility in establishing policy, but the individual record of the members in not expecting or asking for patronage is notable.

And here I come to a natural shifting point from administrative achievement to the theme which I want most to discuss—the political aspects of city manager government in Toledo today.

The generic weaknesses of all city manager governments appear to me to be more political than anything else. There is no question but that the business management advantages of city manager government make it the most effective system of running the city's business.

POLITICS UNDER MANAGER PLAN

But it seems that political power, power to win elections and continue to win elections, develops within the city manager form of government only accidentally or not at all. It develops from without the government, through charter parties or city manager leagues, extra-legally and not too certainly.

In Cincinnati the charter party developed and became a successful non-patronage city party, and the city manager government has survived. The leaders who set up the city manager government stayed with their handiwork and defended it.

In Cleveland there was no charter party and what political power was developed with the city manager government was the wrong kind. Therefore, the city manager government has for a time at least gone down.

Here in Toledo, there are the best of intentions upon the part of many good citizens who are pleased with the city manager government's record to date, and are proud of it. But they have done very little about it. The City Manager League today is not a really effective agency for supporting the city government.

There have been two kinds of public opinion among those particular friends of city manager government in Toledo who have been opposed to any very active interim program for the League. They are: (1) That the people have good government now, and that they ought to support it without somebody's having to keep them sold on what they have; (2) that any active campaign upon the part of the league between elections would be misunderstood, and League leadership therefore should modestly step out of sight until time for another election.

Partly because of these opinions and partly because of natural inertia, no league secretariat has been maintained, and there has been little attempt to build up or maintain a ward and precinct organization of friends of the league. Lately there has been some educational activity through a revived speakers' bureau, which is hopeful for the future.

But in Toledo today there is neither the machinery nor the technique to resist a real political assault upon the city manager government in case one should be made. Understand, I do not say that such an assault would certainly win. I merely state that the machinery to resist the assault does not now exist.

Just what can be done about this remains to be seen. These are times in which there is a lot of "class consciousness" in politics, and Mr. Roosevelt didn't stir it up either.

In these times, therefore, Toledo has a job much more difficult than confronted Cincinnati when that city, in a different economic era, founded its charter party. This city has to develop a leadership and a technique in its citizen organization which will send a tap-root clear down through the strata of

standard "good citizens" and into the consciousness of the great majority of the voters, who we have faith are also good citizens in their own way.

As for the doing of this job, my personal opinion is that it can be done here only through the very highest type of professional executive. The league, or some substitute or successor group, needs to get a professional leader, a man effective in organization and thoroughly informed about municipal administration. My guess is that he will have to come out of "the field," a man who has had adequate practical experience in political organization on the non-patronage plane of city manager government.

If this executive were not of the very highest type, and very wise in his own right, he could easily wreck the whole plan and its political future forever. For instance, there was a little foolish talk in some circles here about how "We'll get a city manager and he'll run these radical labor leaders out of town, and we won't have any strikes." Anyone who even tolerated that kind of talk, or the intent behind it, would certainly wreck the city manager plan in a great industrial city like Toledo.

Fortunately, City Manager Edy has been very smart in keeping himself aloof from any schemes which had even the slightest color of local fascism. I think he has kept the integrity of a sound position that the police department is the servant of all the people, and not the instrumentality of any partisans to a labor dispute.

But it is fears and prejudices growing up about such an issue that menace all responsible government in this era, and the man who came here to organize political force behind the city manager government would have to be pretty broad in his knowledge of the social forces which dig political pitfalls.

(I don't have to explain to you, I assume, the sense in which I am using the word "political." Some of us here in Toledo seem to have had a little difficulty in keeping "political" in the patronage sense apart in our thinking from "political" in the sense of that machinery and mobilization of political opinion which must operate behind all government under a democracy.)

Continuing this discussion of the political aspects of our city manager government, I think no substantial political force has developed naturally in the machinery of government itself. That there hasn't been any politics in the sense of job-broking—and there hasn't—is, of course, all to the good.

POLITICAL LEADERSHIP NEEDED

But there is a politics of policy, which is nothing more than sensing the emotions of large numbers of people, which has not been developed under the present Toledo City Council and City Manager Edy.

Our mayor is an excellent man, an honest, high-minded citizen of the community who is unquestionably a good councilman. He has done marvelously in the development of himself as the ceremonial head of the city. But he has not had experience in "fronting" for policies and administrative acts so they would catch the imagination of the people and win popular favor.

There is a good deal of political ability in the council, which almost without exception is a remarkably high grade body. But there is nobody who has been tossed up into a position where he could swing any flaming torch of popular progress which might lead and point the way for the political parade.

Mr. Edy himself has not, in my opinion, done all that he might to make his policies acceptable to the people. He has shown a tendency to "hew to the line" of what he thinks is right in a manner which has been both forthright and sudden, and which fundamentally

is wholly admirable, but which in too many cases has left excuses for those who have it in their hearts to throw out this government and to go back to the patronage system.

I hesitate to criticise Mr. Edy for this, because I lived through a lot of the would-be political "finesse" of the W. R. Hopkins régime in Cleveland, and it developed peculiar political evils of its own which make the administrative rigidity of Mr. Edy seem very acceptable.

Specifically, I do criticize Mr. Edy, however, for not giving himself more flexible office contact with the public, and for holding too many jobs in his own hands. Though he does not agree with us newspapermen, we think that he should not try to be his own safety director. He undoubtedly knows as much about the technical side of policing as any man in the United States, but that does not make him able to do some of the things which a safety director should do for and in place of the city manager.

A safety director ought to be a contact man and a buffer between the city manager and the fire and police departments. He ought also to be a "wise guy" who has almost occult knowledge of what is in the mind of the officer on the beat. He ought to be a functionary adapted by temperament to doing a lot of sitting around and listening. He ought to be wise in unofficial ways to the undertow on such ticklish questions as vice and gambling. He must be honest. It's an impressive bill of goods I set up here and I can't be too critical of Mr. Edy for not having the bill filled, because if he asked me for a nomination tomorrow, which he won't and shouldn't, I would not be able to name the man. Maybe there is no such man.

Up to this point, I suggest a rather foreboding picture of possible political calamity which might overtake the city manager government. I don't like to do this. I am most anxious that this government survive in Toledo, and I have such respect for John Edy and most of the members of the city council that I want this present personnel to go on at least through the pioneering years of city manager government here.

But somebody must be frank, and if newspapers and newspapermen are not frank, nobody is likely to be. And if nobody speaks out, then some of the earnest good people, who frequently are not very well informed, are likely not to bestir themselves to the extent they should, and in the end are likely to get the shock of their lives.

I went through an era in Cleveland when all the newspapers, hopeful that all good wishes might come true, upheld Bill Hopkins to an almost scandalous extent. I swore that I would never be caught in exactly that way again, and today I am doing my bit to protect myself and the public to which I have some responsibility. Devoted as I am personally to John Edy—I have never known a more honorable, straightforward and really informed man about municipal government in all my experience—yet I shall strive to be honest enough with him, so that he will always have the advantage of seeing things at least as one newspaper editor sees them.

In the background of all this, it must be remembered that Toledo has taken city manager government on the high wave of a revival year.

We have had a great revival of business, as great at least as that of any comparable American city. We have made progress, through our unique Industrial Peace Board, toward something really fine and new in the community relations which surround the difficult

(Continued on Page 131)

Public Assistance in Relation to Municipal Welfare Problems[1]

Three-way coöperation between federal, state, and local units of government one of most significant aspects of social security act

ZILPHA C. FRANKLIN *Social Security Board*

From the point of view of individual communities, the dependence of the social security act upon a three-way coöperation between federal, state, and local units of government is one of its most significant aspects. It is to the states that the act offers federal cooperation. But one of the explicit requirements which the act makes of the states is that benefits and services for which federal funds are contributed shall be made available in all parts of the state. Federal coöperation is therefore of as much importance in meeting the welfare problems of local communities, both counties and cities, as in meeting those of the state as a whole.

Although all the provisions of the social security act contribute either directly or indirectly to the reduction of community welfare burdens, its immediate effect is most apparent in the three public assistance provisions for aid to the needy aged, the needy blind, and dependent children. This direct relationship is due to the fact that both for relief and for welfare the local community has always exercised considerable responsibility and borne heavy financial burdens. By offering federal aid which may be used by the states to meet some of these obligations, the social security act is bringing about far reaching changes in the municipal welfare field.

On the basis of reports for the preceding 11 months, it is estimated that in February, 1937, approximately 1,494,600 individuals—1,163,300 aged, 31,400 blind, and 299,900 dependent children—were receiving aid under plans approved by the Social Security Board in 41 states, the District of Columbia, and Hawaii. Forty-two state plans for old-age assistance had been approved; and 28 each for aid to the blind and to dependent children. Twenty-three states and the District of Columbia were participating in all three programs. Of the total number of individuals being aided, probably something over one-fourth are residents of urban areas.

The monthly public assistance expenditures from combined federal, state, and local funds for the same month are estimated at $25,984,800 for all three forms of assistance. Of this amount, $21,967,400 is for old-age assistance, $778,300 for aid to the blind, and $3,239,100 for aid to dependent children. From February, 1936, to February 12, 1937, federal public assistance grants totalled $128,772,523.10; this included

[1]Published with the permission of the *Municipal Year Book*. This article is based upon a detailed discussion of "Public Assistance under the Social Security Act and its Effect upon Municipal Welfare Problems" by Geoffrey May and Zilpha C. Franklin, which will appear in the section on Municipal Finance in the forthcoming *Year Book* for 1937.

$112,234,952.54 for old-age assistance, $4,356,620.49 for aid to the blind, and $12,180,950.07 for aid to dependent children.

Within a year after the program became effective, federal participation in public assistance had thus reached very substantial proportions. This participation affects municipal—as well as county and state—welfare programs in three ways that are of direct and practical importance: through providing these federal grants to states with approved plans it makes more money available to every community within such states; through exerting an influence on administration it tends, in many parts of the country, to stimulate far reaching changes in organization and procedures; and through encouraging the liberalization of requirements affecting beneficiaries, it brings an increasing number of the needy within the scope of assistance for which federal funds may be used. Actually these three influences operate as integral and inseparable parts of a single developmental process. Since, however, each has a distinctive effect upon state and local public welfare, it seems worth while, in the discussion which follows, to consider each separately in so far as possible.

Under the public assistance provisions of the social security act, the state occupies a central position, coöperating with the federal government on the one hand, and with its own political subdivisions on the other. Since conditions vary widely in a country as large and diverse as the United States, the act provides that each state shall formulate and administer its own plans in line with its own needs. To assure efficient administration on both state and local levels and effective assistance to the needy, these plans must conform to the act with regard to certain broad essentials.

In addition to making federal grants available, the development of public assistance plans which conform to the social security act has assisted the states and their communities in meeting many of the difficulties previously encountered. At the same time, it has raised certain new problems, particularly with regard to the inter-relationship of state, county, and city or town governmental units.

PUBLIC ASSISTANCE ADMINISTRATION

The requirements regarding public assistance administration and finance embodied in the act are based directly upon the earlier experience of the states. In general, the states with well established public assistance systems prior to the act had developed two types of organization. Under one plan the state bore the entire cost of assistance without local financial participation, and itself assumed direct administrative responsibility through a state agency with district offices in the localities. Under the other plan, both the states and the local subdivisions shared in financing the program. Responsibility for local administration was lodged in the local units of government under state supervision, usually through the state's department of public welfare. The subdivision most frequently vested with local administrative responsibility was the county. But in the case of certain large cities, the municipality itself was made responsible for administering the program. In some of the New England states the town has continued to be of more importance than the county in welfare activities. And in certain communities where the county government exercised administrative responsibility, the urban character of its population made its welfare program as much a city as a county concern: either the city and county boundaries were coextensive, or the county constituted an

urbanized area, of which the municipality was the nucleus.

The social security act recognizes that both these systems offer a workable basis for effective administration, and either type of organization may be approved as conforming to the act's requirements. The act thus provides that states may build upon their own past experience and establish whichever system each finds most familiar and best suited to its particular needs. In considerably more than half of the approved state plans, the direct responsibility for public assistance administration is lodged with the local subdivisions under state supervision.

LOCAL PARTICIPATION

The distribution of locally administered and state administered programs is of particular interest in relation to the character of the population in the states. Of the 93 cities of 100,000 population or over in the United States, 84 are participating through their state plans in public assistance under the social security act. One of these, Washington, D. C., has a special type of municipal administration. Of the remaining 83, 55 are located in states where the direct responsibility for one or more forms of public assistance is in local hands, and only 28 in states where public assistance is directly administered by a state agency. Although it is unwise to attempt any generalization regarding the implications of this distribution in relation to administrative organization, it might indicate that, in many states where local public welfare agencies were well established before the passage of the social security act, the same type of administration has been continued.

Although it is too soon to attempt any thoroughgoing analysis of the effect of federal coöperation upon state and local problems of administration, certain trends are already apparent. It is certainly clear that the plans being developed in the states will have far reaching effects both on the relationship between the governmental units within the state and on policies, methods, and procedures.

The state is responsible to the federal government for the conformity of its program to the act. This necessitates a change in the relationship of municipal, county, and state administrative agencies. In most parts of the country municipalities have not been responsible for categorical assistance as such; but many cities have been compelled to provide poor relief for persons now eligible for public assistance. One of the results of the social security act will therefore be to reduce the number of cases for which the city must administer general relief. In so far as the counties and the states are concerned, the act makes for a closer relationship under the state agency than has existed in many states in the past. This is equally true whether the plan is directly administered by the state agency or supervised by it. In addition, it should be noted that, although at the present time more than half the approved state plans place responsibility for administration upon the local units under state supervision, a definite trend toward direct state administration is evident.

State participation in administration is not only one of the essentials for conformity with the social security act but would, in any case, be necessary to assure the effectiveness of the other provisions. It makes for increased efficiency and eliminates duplication of effort in record-keeping, auditing, and other administrative details. It makes for uniformity in eligibility requirements and methods of handling cases, and in standards of personnel, competency in service, and staff salaries. It should also make available to local administrative agencies the coöperation

and advice of specially qualified field supervisors and specialists who can be of great help in developing a well balanced program.

All of these are assets of which the importance can hardly be overestimated —assets, indeed, which had been recognized long before the social security act came into being. But statewide uniformity, if applied too arbitrarily, may not be an unmixed blessing for the more progressive communities within a state. While tending to raise the level of administration in rural or backward communities, in urban areas uniformity might mean regression rather than progress in standards of service. There have also been cases in which the adoption of new procedures has been carried through too hastily and arbitrarily and has caused friction between well established local agencies and the state supervisory body.

Neither of these difficulties is inherent in the program outlined under the social security act. The act is so designed as to allow for considerable flexibility, and the Social Security Board has been particularly interested in helping the states develop programs which avoid the pitfalls of rigidity. The federal act allows the state agency to make standards and policies its major concern, and the local agencies or state district offices to continue to take the detailed responsibility for investigation, individual record-keeping, and contact with individuals.

The social security act provides that the state—as distinguished from its local subdivisions—must bear some part of the cost of public assistance, and that the federal government will pay a share of the total expenditure under every state plan approved by the Social Security Board. For assistance to the needy aged and blind it pays approximately half of the state's total expenditures, and for aid to dependent children, one-third of the total cost to the state.

Since the social security act sets no single fixed pattern, the relationship between finance and administrative organization varies considerably from state to state. In most states which have wholly state-administered plans, the state itself assumes the entire financial responsibility, so that local units of government, as such, make no direct contribution. In states which place the direct administrative responsibility in the hands of the local governments, the counties, as a rule, also participate in financing public assistance. Under some state-administered plans, however, the localities pay part of the cost; and under some county-administered plans, the state pays the total cost.

COUNTY SHARE OF COSTS

The proportion of expenditures borne by county units, in the states where counties pay part of the cost of public assistance, varies from approximately one-eighth to more than two-fifths of the federal, state, and local total. In a few states no set amount is fixed for state and county shares. In some cases, cities and towns are called on to reimburse the counties for some part of the cost; in Massachusetts, the town rather than the county remains the responsible local unit.

Finally, the social security act has encouraged the liberalization of eligibility requirements. Although age, residence, and citizenship are the only aspects of eligibility on which the social security act sets up requirements to which approved state plans must conform, its provisions in these particulars have led to the establishment of less restrictive requirements than those found in earlier state assistance measures; and at the same time federal financial aid has made it to the advantage of the states to broaden the scope of public assistance.

Most state old-age pension laws prior to the social security act had, for example, granted aid only to persons 70 or over. The act provides that the age requirement shall be 65, although it allows a temporary period for adjustment up to 1940 during which the states may make the age requirement as high as 70 if they wish. Approved plans may not set a lower age limit than 65 for old-age assistance. Of the 42 old-age assistance laws approved by the end of 1936, only nine had not already placed the age limit at 65. For aid to the needy blind, the act makes no requirements regarding age. For aid to dependent children, the age requirement may be as high as 16, although 14 was the age limit most frequently set by earlier state and local mothers' aid laws. In view of the fact that approved state plans need not necessarily raise the age limit to 16, it is particularly noteworthy that all plans so far approved have done so. In many states this brings the age provisions for aid to dependent children into line with laws for compulsory school attendance and for minimum working age, and makes it financially possible for dependent children to be provided for until they have finished school and will be permitted to go to work.

CITIZENSHIP REQUIREMENTS

With regard to citizenship, many though not all state public assistance laws had previously set the requirement as high as 15 years, particularly for old-age assistance. The social security act now provides that no citizen may be excluded on the grounds that his citizenship is not of long enough standing.

Earlier laws also generally set up high local and state residence requirements which tended to exclude a large number of the needy. For the aged, many state laws had required 15 years of state residence, and a few went even higher. In contrast, no person may now be excluded from old-age or blind assistance under the social security act on grounds of residence, if he has lived in the state for five out of the last nine years and has been a resident of the state continuously for the year preceding application. No dependent child may be denied because of residence who has lived in the state for the year preceding application, or who was born within the year, provided the mother had lived in the state one year preceding his birth. Approved plans may not exclude anyone from assistance on grounds of insufficient *local* residence. Where plans are wholly state financed, the question of local residence would, of course, not be raised in any case. But where localities pay part of the cost, it is naturally of considerable importance. The most common practice is to consider applicants who lack sufficient local residence to entitle them to assistance from local funds as "state cases" until such time as local residence requirements are satisfied. For these cases the state bears the entire non-federal share of the cost.

Although within these broad bounds each state determines for itself the specific conditions of eligibility and the basis of need on which assistance may be granted, the effect of federal participation has been toward a more liberal and realistic policy. Old state and local qualifications as to "worthiness"—always difficult to administer in actual practice—have tended to become less rigid. The fact that federal contributions will not be made with respect to persons cared for in public institutions will probably tend to reduce the number of able-bodied, needy persons who are compelled to enter almshouses because they have no other means of support. Many states have also made their property requirements less stringent, in order to preserve the homes of needy persons who own some property but

whose income is inadequate according to state assistance standards.

In its provisions for aid to dependent children, the act has also made for a broader coverage by liberalizing the provisions regarding causes of dependency and the relatives with whom a child may live. Under most former state mothers' aid laws, only a child living with his own mother was eligible, and frequently various other restrictions were imposed which excluded many in real need of assistance. Under the social security act, provisions regarding both causes of dependency and the degree of relationship of the person with whom the dependent child may make his home may be extended to permit assistance to a much larger group of children.

One of the most immediate effects of the social security act has thus been to make public assistance available to many persons in all three categories who in the past would have been dependent upon general relief. This reduction in the residual relief load, together with federal and state participation in financing assistance programs, tends to relieve the local community of a considerable burden of expenditure.

All the available evidence tends to show that, in states with plans approved under the social security act, public assistance with federal aid is making significant increases, while general relief expenditures are declining. But the financial effect of the social security act upon municipal relief expenditures is probably not yet fully apparent. The ultimate result, so far as municipal finances are concerned, will not be measurable until there has been time to estimate the decrease in the local welfare load which will follow the expansion of public assistance and the corresponding restriction of general relief. Since public assistance provides for more of the unemployables who, under the present allocation of relief responsibilities, would have to be cared for by local communities, it will continue to be of importance both to the cities and to the smaller local communities. And to this direct reduction in the local relief load must also be added the indirect savings which will result from the preventive effects of better child welfare and public health services and from the provisions for unemployment compensation and old-age benefits.

USE OF FEDERAL AID

Up to the present, the federal aid offered under the act seems to have been utilized by states and communities more to increase the coverage of their public assistance programs and to relieve the pressure upon local tax funds than to increase the adequacy of assistance. This was obviously essential as the first step in repairing the damages incurred by local finances during recent years. The long-term objective of the social security act is not, however, to reduce state or local expenditures, but to help the states and their communities to develop increasingly adequate assistance and welfare provisions. Yet this objective in itself raises serious problems of nationwide importance, since some states are well able to bear the cost of an adequate assistance program and others find it extremely difficult to make adequate provision for public assistance.

While there remain wide differences in the levels of assistance from state to state, the social security act has helped the states to meet the similar problems encountered within each state's own boundaries. The provisions for statewide operation and for state participation in financing have tended to equalize the assistance available in all parts of each participating state. In addition, a few of the states that call upon their localities to pay part of the public assistance cost have attempted to meet the needs

of their poorer communities by having no fixed state and local percentages, so that the local contribution can be adjusted in line with the communities' needs and resources. Other states have provided equalization funds from which the less able counties receive supplementary grants. So far as can be judged from the data now available, there has been no marked tendency to reduce individual payments in cities and other communities able to make adequate provisions. Moreover, the rising assistance level in the poorer communities will to a considerable extent put a brake on the migration of the needy to the cities where, in the past, relief was likely to be much more generous.

ACHIEVEMENTS AND OBSTACLES

The Social Security Board recognizes that the progress of public assistance during its first year has been due, in large measure, to the notable achievements of state and local administrators in getting the program under way. The Board does not minimize the obstacles that have been encountered or the problems still to be surmounted—among others, the further coördination of the financial responsibilities of the three levels of government, the development of adequate standards of assistance in all parts of the country, and of a progressively more effective administrative organization manned by qualified workers at every level.

On these and other problems, the Social Security Board serves as a clearing house for experience and information gathered by the various states in the operation of their own plans. This fund of practical suggestions and counsel is freely available to every state which wishes it. In addition, the Board is prepared to advise with the states, on their request, in all matters pertaining to the organization of their programs and the practical problems of their administration. A number of states have already begun to develop a similar relationship with their local agencies. They are sharing with the local units in all parts of the state the practical experience of other local agencies in meeting everyday situations; they are offering guidance and consultation on community problems; and they are interpreting federal and state policies as they relate to local problems.

In the further development of the program, in meeting the issues which are bound to arise in connection with any long-term social legislation, the relationship of community welfare problems to those of the state and of the nation as a whole is a fundamental consideration. One of the most significant things about the present program is that in the social security act we have at last recognized this triple relationship; the act represents our first nationwide effort to make the federal and state governments partners with our communities in an organized and far reaching public welfare program.

Editor's Note: This is the second of a series of articles appearing in the Review dealing with the administration of the social security act. The first article, entitled "Progress and Prospects under the Social Security Act," by Frank Bane, appeared in the February issue.

The London County Council under Labor Rule

Socialist government has administered the affairs of London with skill and efficiency and maintained a liberal policy in the social services

DEAN E. McHENRY *Williams College*

On March 4, 1937, for the second time in succession, the Labor party elected a majority to the London County Council. Early returns indicate that the Laborites have won seventy-five seats, while the Municipal Reformers (Conservatives) have retained only forty-nine, a net gain for Labor of six seats. Neither the Liberals nor Sir Oswald Mosley's Fascists succeeded in electing any council members. The election was fought on the primary issue of Labor's record in office during the last three years, and serves to focus attention on the Labor party's role in London politics. Because the governing body of the British capital ranks second only to Parliament in power and prestige, the Labor party has long attached great strategic importance to capturing a majority on it.

After its establishment in 1888, the London County Council divided sharply along party lines, and its partisanship has been carried to much greater lengths than in provincial British municipalities. Until 1907, the Progressives (Liberals) had an unbroken period of power in which the tradition of clean and efficient government was firmly established. Sidney Webb, Ramsay Macdonald, and other Labor leaders served on the council as Progressives, and played leading roles in the extension of social, educational, and public utility services. During the long rule of the Municipal Reformers (Conservatives), 1907-1934, the Labor members formed their independent group, gradually built up strength, became the official opposition in 1925, and achieved a majority in 1934.[1]

---

[1]The total vote polled and the seats won by the major parties in the six triennial elections since the war are as follows:

	Labor		Municipal Reform		Liberal	
Year	Vote	Seats	Vote	Seats	Vote	Seats
1919	54,053	15	59,021	68	38,725	40
1922	195,550	16	288,384	82	101,077	16
1925	233,153	35	276,140	83	55,586	6
1928	250,595	42	284,544	77	97,045	5
1931	214,256	35	284,983	83	32,267	6
1934	341,390	69	298,464	55	22,858	0

Compiled from W. A. Robson, "Thoughts on the L. C. C. Election: The Chaos of Local Government," *Political Quarterly*, vol. v (April-June 1934), p. 167; London Labour Party, *The Work of the London Labour Party 1933-34*, p. 14.

The campaign for the election of March 8, 1934, was fought on a number of comparatively minor issues. As in previous electoral struggles, Labor pressed its case for improved and increased housing, education, and other services, and urged the need for liberalized public assistance. The Municipal Reformers campaigned against extravagance and for the national government's retrenchment program. The polling was light and Labor's landslide victory probably was unexpected even by party leaders. Labor obtained sixty-nine seats to the Municipal Reformers' fifty-five, and in total votes, 341,390 to 298,464. The Liberals were completely eliminated from representation on the council.[2]

The Labor majority proceeded at once to organize the new council, choosing Lord Snell of Plumstead, a Labor peer, as chairman. Mr. Herbert Morrison, a skillful party leader with long training in municipal politics, assumed the important post of leader of the council. In accordance with established practice, the twenty aldermanic seats were allocated between the parties in proportion to their councilmanic strength, and the chairmen and vice-chairmen of committees were drawn entirely from the majority party. After the selection of aldermen, Labor had a working majority of sixteen.

In the London County Council Labor party, the meeting (caucus) of all Labor aldermen and councillors is supreme, but power of direction is vested in the hands of an executive committee, similar in some respects to a cabinet. This group is known as the "policy committee" of the party, and includes nearly all the Labor chairmen of council committees. It meets weekly on the day preceding each council session, considers matters referred to it by the full party caucus, and discusses business brought to it from the council committees through the leader.[3]

On the council floor, the party presents a united front against the Municipal Reform group, and its members vote in accordance with the party decisions made by the full caucus or party policy committee. The only exception permitted is on certain matters of conscience when members may abstain if they have raised the point in a previous caucus. Religion or temperance are the most common reasons given by conscientious objectors. In general, the discipline imposed by the Labor party is rigid. A chief whip and three junior whips are responsible for attendance and for getting their party colleagues into the proper division lobby. As in the House of Commons, a question time exists, during which the opposition may ask the leader or committee chairmen concerning county business.

The harmonious relationship which traditionally has existed between the political council and the permanent administrative staff has been perpetuated under Labor rule. Administrative officers may be called upon by committees or individual members of either party for information regarding departmental work; administrators avoid party controversies entirely. On assuming office, Labor members of the new London County Council were reminded by party leaders of the necessity for avoiding charges of influence and jobbery in appointments, and were ordered never to approach an officer on any matter of employment. The party similarly directed administrative officials not to ac-

[2]The records of campaign expenses show that the Labor party spent 5.59 pence per vote obtained; the Municipal Reformers, 14.03 pence; and the Liberals, 19.85 pence.

[3]Students of British municipal government will welcome Mr. Herbert Morrison's realistic discussions of London's problems in his *How Greater London is Governed,* (London 1935), and "How the London County Council Does Its Work," *Public Administration,* vol. xiv, (January 1936), pp. 17-29.

cept applications for employment through any council member.

INCREASED SERVICES

The record of the London County Council under Socialist rule is one of extended services with increased costs. In housing, the economy policy of previous years has been reversed, the clearance of all London slums scheduled, and rents for council-owned houses reduced. School rebuilding and repairing has been revived; the number of scholarships and free places in secondary schools has been increased; school meals and school health services have been extended considerably. As expected, the Labor majority administered public assistance more liberally, made numerous improvements in public hospitals, purchased new land for park purposes. Hours of work of county employees have been reduced, salary cuts restored, staffs increased, and conditions of work improved in a number of departments.

All this has cost a great deal, but the council determined to raise the tax rate at the outset. It was announced that this new rate would provide the revenue necessary for Labor's program during the three-year term of office. By this immediate action, the party leaders hoped to give the electorate sufficient time to forget the increase before the next election. Their estimate of income, however, proved optimistic, and the council was forced to raise the rates again in March 1936.

A number of conflicts with the national government have taken place; the most spectacular concerned the rebuilding of the Waterloo Bridge over the Thames—the reconditioning of the bridge had been under discussion for ten years. After the House of Commons refused aid in the project, the Minister of Transport rejected the county's application for a grant, so the council proceeded with the demolition and reconstruction out of county funds. London Laborites often cite this as an example of their party's decisiveness and capacity for action.

SUBURBS BRING PROBLEMS

The accomplishments of the Labor majority on the London County Council are subject to special limitations. Not only is the council checked by the usual administrative supervision of the central government, and restricted to specifically delegated powers, but the boundaries of the administrative county are so far out of harmony with the actual extent of the metropolitan area that the county cannot deal adequately with the problems of Greater London. Only about one-half of the eight million population recorded by the census for Greater London (the Metropolitan Police District) live in the county of London. The remainder live in the rapidly growing "outer ring" in the counties of Middlesex, Surrey, Kent, Essex, and Herts, and are governed by a complexity of county boroughs, municipal boroughs, urban districts, rural districts, and parishes.

From this outside "dormitory" region a million workers daily commute to the county of London to offices and factories; they are provided with costly municipal services which are furnished by the county and metropolitan boroughs. Because the important problems of London cover the whole metropolitan area, an increasing tendency to form special agencies and special districts to deal with particular problems is evident; the Metropolitan Water Board, the Metropolitan Police District, and the London Transport Board are results of this trend.

Within its sphere, the London County Council under Labor rule appears to have made a reasonably good record. By London's special position, the party

(Continued on Page 136)

Housing Inspection Personnel

Use of the merit system urged for selection of housing inspectors

SYDNEY MASLEN — *Tenement House Committee, Charity Organization Society of the City of New York*

For sixty-nine years we have had housing legislation, but comparatively little attention has been paid to housing administration. While health and human welfare have been conceded to be the basic purposes for enactment of housing laws, these purposes frequently have been nullified because the public failed to demand housing inspection personnel qualified to understand the effect of specific housing conditions upon the persons housed.

At the time the Fusion administration "captured" New York in 1932, the purpose of safeguarding human values had been largely lost sight of and the Tenement House Department had settled into a passive routine of merely filing violations to make real estate comply with statutory regulations. Little regard was paid to the implications of housing inspection for raising living standards. Routines were followed without any real understanding of the purpose of the work.

It is of great significance, therefore, that under the new charter for the city of New York, voted on November 3, 1936, deputy commissioners in the consolidated Department of Housing and Buildings are to be civil service career men, instead of political appointees. Credit is due Tenement House Commissioner Langdon W. Post for his public spirit and vision in recommending to the Charter Revision Commission abolition of his own appointive job.

The public housing movement is gaining momentum in America. The task of building cities of the future brings up problems and responsibilities which will try the best city administrators. Real property in sixty-four cities already has been surveyed. Substandard houses are being certified as unfit and ordered repaired or renovated, or else demolished and the tenants rehoused in habitable dwellings. It is the duty of housing departments to certify those buildings and slum areas which are ripe for clearance. This is a serious responsibility. This power of bringing increased life, happiness, and health to slum tenants on the one hand, and on the other hand imposing the death sentence on slum property, should be exercised only by personnel especially trained to evaluate disrepair and insanitary conditions in terms of their impairment of human lives and health.

If we are to be realistic about housing we must recognize the fact that families will continue to live in slums until the last slum building is demolished and the family adequately rehoused, and when poverty is abolished. While we are working for this happy day to come, we must also set ourselves realistically

to the task of making the old buildings and the slum areas as decently habitable as it is humanly possible.

The worst housing invariably is accompanied by impaired health and vitality, disease, delinquency, crime, and other family problems linked up with poverty and dependency. It is these human problems which make housing inspection work so difficult. While housing inspection should be focused specifically on the physical condition of dwellings, it must be evaluated in human terms and correlated with the work of agencies specializing in crime prevention, relief, nursing, public health, and social work.

The annual report of the New York Municipal Civil Service Commission for 1935 contains the following suggestion in a report by Commissioner Samuel H. Ordway, Jr.: "Improved service by civil service employees is being increasingly demanded by citizen organizations. In several jurisdictions, citizen organizations have been demanding an examination every three or four years to test the right of the employee to retain his position, on the theory that the right of tenure should depend on continued activity and ability on the part of the employee." Housing inspectors who cannot meet existing standards can be placed elsewhere and those who show promise given opportunities for training and promotion. Salaries as well as qualifications must be raised if better equipped personnel is to be recruited. There is little inducement to better performance and it is short-sighted economy when salary increases are denied year after year.

The Tenement House Committee of the Charity Organization Society, therefore, has recommended that housing inspection be developed along the lines of a career service.[1] In the statement of qualifications submitted to the Charter Revision Commission and the Municipal Civil Service Commission the intent was to make possible the recruitment of housing inspection personnel who would have a broad interest in the housing problem, who would not permit undesirable conditions to exist, and who would be alert to suggest improvements in housing laws and their administration. With training emphasizing a broader base, it should be possible to equalize qualifications for similar kinds of public service—such as housing, sanitary, or food inspectors. An extremely useful device would be that candidates for positions as housing inspectors pass an examination to be given independently by an organization such as the American Public Health Association. This would have the effect of raising the level of preparation and would be a guide to their qualifications.

The need for developing a career service as an approach to government housing in this country was forcefully presented in the following editorial which appeared in the *New York Times* on April 19, 1936:

> Government services are no longer predominantly of a routine character. Many of them call for experts and technicians, others for administrative ability of a high order. We are asked to venture into fields of industrial and social control from which the old-time political jobholder should be forever barred. Take public housing for example: with how much more assurance Americans would be able to view the future of that experiment on this side of the Atlantic if they could be sure that control would be placed in the hands of as capable administrators as Great Britain has been accustomed to enlist. A second civil service reform movement, 1936 model, such as President Dodds [of Princeton] advocates, might not find favor among the politicians . . . but it would command the overwhelming support of the American people.

(Continued on Page 136)

[1] A copy of this report, *Realism in Housing*, may be obtained by writing the Tenement House Committee, 105 E. 22nd Street, New York City.

St. Louis County's Proposed Home Rule Amendment

The outlook is bright for the replacement of the present obsolete government by one designed to meet the metropolitan requirements of the county

HUBERT W. STONE *St. Louis Governmental Research Institute*

AN AMENDMENT to the Missouri state constitution which would enable St. Louis County to modernize its government has been introduced in the upper house of the general assembly. St. Louis County bounds the city of St. Louis on the north, west, and south and contains an area of 487 square miles. In 1930 the population was 211,593 and approximately two-thirds of the county's inhabitants live in twenty-eight suburban communities which range in size from less than 100 to more than 25,000. Endowed with large, unimproved areas, a rolling topography which lends itself to the further development of spacious and attractive home sites, all within a radius of twenty-five miles of the city, the county seems destined to continue the growth which doubled its population between 1920 and 1930. Regional planners predict that, by 1980, the number will reach a million.

St. Louis County finds itself in the same position with respect to its government as many other counties adjoining large cities. Transformed from a rural area into one urban in character, the county is attempting to cope with its metropolitan problems with the governmental machinery and methods which were designed many years ago to operate effectively in sparsely settled, agricultural counties. Its present administrative structure includes numerous elective officers: three judges of the county court, county clerk, assessor, collector, treasurer, recorder of deeds, sheriff, prosecuting attorney, coroner and highway engineer; the members of the county court, county clerk, sheriff, and coroner are constitutional officers. The county government has no single, responsible administrative head and the nearest approximation of a central governing body is the county court composed of a presiding judge elected for a term of four years and two associate judges elected for two-year terms. The chief administrative officers, being elective, tend to become independent agencies holding themselves accountable only to an inarticulate electorate. This tendency toward departmental autonomy is aggravated by the operation of the "fee system" by which the county officers finance their departments out of fees which they collect and deposit in personal bank accounts. Diffusion of responsibility and the absence of adequate financial control are lamentable characteristics of the governmental structure.

No local legislative powers are vested in the county court so the general assembly is burdened with the passage of all the laws required to enable the county officials to handle those peculiar problems which rapid urbanization has produced. This serves not only to further congest the legislature's crowded calendar but also renders the county

government unresponsive to ever changing needs. The Governmental Research Institute of St. Louis has compiled an index and a brief abstract of the laws regulating the administration of St. Louis County. This compilation embraces 2,500 separate sections of the law, exclusive of those statutes relating to the judiciary and election procedure, which control the county's governmental operations. These laws range in subject matter from stipulating that the coroner may be allowed a fee of one dollar for retrieving a floating dead body and stating precisely what shall be done in the event the county seat caves into the river to outlining the procedure which shall be followed in establishing a county hospital and making provision for the examination of the accounts of county officers by the state auditor. Within this range there are many laws which are conflicting in their provisions and are wholly impracticable of application in St. Louis County.

During the past two years a group of citizens serving as members of the Cost of Government Committee of the St. Louis County Chamber of Commerce has been coöperating with the county officials in an effort to bring some order out of the chaotic state to which antiquated laws and piecemeal legislation have brought governmental affairs. At the request of this committee the Governmental Research Institute made a study of the county's most pressing problems and suggested certain changes. It became apparent, however, that a complete overhauling and a thorough modernization of governmental structure, methods, and procedures, and permanent release from the rigid mold of minute statutory regulation presented the only solution of the county's problems. The institute made a careful survey of the experience of other states in their efforts to secure better county government, considered the proposals which had been advocated to achieve this end in Missouri, and, on the basis of this study, drafted the constitutional amendment which enables the county to adopt a charter form of government.

The proposed constitutional amendment is in the form of a joint and concurrent resolution and it must be adopted by both houses of the general assembly before it can be placed on the ballot for ratification by the voters of the state. If approved at the 1938 general election the county court may request the four judges of the circuit court and the judge of the probate court to appoint a charter commission. Should the county court fail to act, a petition signed by five per cent of the voters will compel it to request the appointment of the commission. Membership on the charter commission will be distributed among the seven townships of the county on the basis of the number of registered voters. The presiding judge of the county court will be the chairman but without vote except in case of a tie. The commission will serve without compensation but may retain expert assistance and pay all reasonable and necessary expenses incurred in the preparation of the charter.

The proposed amendment does not prescribe any particular form of government but leaves this to the determination of the charter commission. It does provide that there shall be a "central governing body" of not less than three elective members which may be vested with extensive powers of local legislation and administration. The circuit court, probate court, and schools are exempted from the scope of the charter but with these exceptions the charter may provide for the reorganization, consolidation, or abolition of existing county offices.

The operation of the municipalities

in the county will not be disturbed though the charter may provide the means by which functions and services may be transferred to the charter government from the cities. No such transfer can be effected, however, without the express consent of the municipality.

Provision for the initiative and referendum with respect to local legislation and the recall of elected charter officials must be included in the charter according to the terms of the proposed amendment and a method of amending the charter must be set forth.

The charter commission will have a year in which to complete the charter draft and then it must be submitted for adoption at a special election called for that purpose. A majority vote in favor of the charter will be sufficient for its adoption. After the charter has been adopted no law passed by the general assembly which alters the structure or the powers of the charter government can become operative unless it is approved by the voters of the county.

The county court is in entire accord with this effort to give St. Louis County a modern and efficient government and the proposed amendment, sponsored by the County Chamber of Commerce, has the endorsement of the County League of Municipalities, the League of Women Voters, and other interested civic organizations. With this organized support and the strong popular demand for a county government free from the shackles of archaic laws, liberated from the remote control of the state legislature, and competent to deal with those urban problems which are pressing for immediate solution, the outlook is bright for the replacement of the present obsolete governmental structure by one carefully designed to meet the present and future metropolitan requirements of St. Louis County.

CITY MANAGER PLAN

(Continued from Page 116)

issue of industrial relations in big industry.

Our eyes are again blinded a little by the glow of something like a prosperity boom in the making, and it is perhaps hard for us to think most realistically about politics. But we must think realistically. We must face our city government issue, so that we can apply our own self-criticism while we are still standing up, instead of having to allow some board of expert municipal government morticians to conduct an autopsy after our fine hope of good government has fallen down and died.

So this little prospectus, as I have presented it—compound of high praise and what I hope is constructive criticism—is rendered in the hopeful faith that it may somehow be helpful in enabling Toledo to go on and on under a new and better deal.

Author's Note: At the moment, the local City Manager League is making an earnest effort to set up an active leadership, and it may be that by the time this is published a new league administration will be in office, and a full-time, competent executive secretary on the job.

It seems to me that since November the threat of an attempt to overthrow the charter is much less menacing. There has been a reshaping of political forces opposed to the charter, which makes an attempt to repeal the charter, or even P. R., somewhat unlikely this year. This fight now may come over a powerful partisan political attempt to elect a patronage council.

It seems to me that Mr. Edy's position is even stronger than it was in November. He appears lately to have shown more political finesse in handling people than he did during the early months of his administration. I feel also that the integrity and expertness of his administration is getting over to the voters increasingly.

As for my specific suggestion that Mr. Edy should appoint a safety director, I am not now so certain. I still think that the qualities suggested by my November paper are needed in the department, but perhaps Mr. Edy is working out a substitute through his use of the police and fire chiefs, which makes the immediate appointment of a safety director unnecessary.

Financial Statistics of America's Large Cities

A description of the high spots of the annual compilations on municipal finance of the Bureau of the Census.

C. E. RIGHTOR — *Bureau of the Census*

OF A total population of 125,770,000 for the United States, estimated as at July 1, 1933,[1] nearly one-third (37,585,800) lived in the ninety-four cities having a population over 100,000. These cities are located in thirty-two of the states, and the District of Columbia.

The financial operations and status of these ninety-four cities, therefore, serve as a gauge to the extent and condition of public finances of the nation. They are reported in detail for 1934, in a report recently released by William L. Austin, Director of the Bureau of the Census, Department of Commerce. To those who study this report, a wealth of information is available regarding the receipts and expenditures, taxes levied and collected, grants-in-aid from the federal government and states, debt, and property valuations for these cities.

Urban government in the aggregate spends normally more public funds[2] and employs more persons[3] than any other level of government. Moreover, the cities furnish a large and growing number of public services to an increasing proportion of the citizens of the nation, these services being the most essential and intimate to the people and ranging from protection of life, health, and property to maintenance of schools, libraries, and recreational facilities, courts and correctional institutions, finally to welfare in its broadest sense. The range of public services performed by the modern city is truly impressive and astounding to the person who reflects upon what his municipal government is doing and stands ready to do for him. The major portion of urban finances is included in the census report.

REVENUE RECEIPTS

The census figures for 1934 show, for the ninety-four cities, total revenue receipts of $2,711,000,000, or a per capita of $72.13. For the twenty-six cities in census groups one and two (one, over 500,000 population; and two, between 300,000 and 500,000 population), it should be noted, a proportionate share of the county's transactions is included, to afford comparability with those cities in which the county organization is consolidated with the city. This annual contribution by citizens to their municipal government is so substantial that consideration may well be given the sources. These sources—general property, special taxes and assessments, departmental earnings, public utility receipts, etc.—are set forth in detail in the report.

[1] The latest official census estimate is 128,429,000, as at July 1, 1936.

[2] *Financial Statistics of State and Local Governments, 1932*; Summary, pp. 2 and 4, Bureau of the Census; 1934.

[3] *National Income in the United States, 1929-35*, p. 192; Bureau of Foreign and Domestic Commerce, 1936.

In this connection the subject of "state-collected locally shared" taxes is one for careful definition and consideration, both in compiling and using the bureau's reports. If the allotment by the state is on a basis differing from that of collection of the tax, is it not a grant-in-aid? A state gasoline tax of three cents per gallon paid by the consumer, but distributed to local governments upon the basis of miles of improved highways, for example, is reported by the bureau as a grant to the city rather than a tax.

An allied problem requiring careful consideration is that of state payments for certain activities, such as mothers' pensions, old-age assistance, etc. If the law requires that the state contribute a definitely fixed amount per capita, or stated percentage of the total cost of the activity, the amount of the state's payment to any city is not reported as a revenue-receipt; nor is the expenditure by the city of the amount so received by the state included as a cost-payment. The receipt and disbursement of this state money is considered an "agency" transaction only, as a non-revenue receipt and non-governmental cost-payment. Recent reports of the bureau have not included a report of these agency transactions because of restricted funds for printing.

Tax limitation laws will tend to increase the extent to which states must contribute to the cost of local government, either by taxes or grants to local units or by assumption of administration of the activity or a share of the cost—and undoubtedly this participation will result in further supervision and control by the parent government.

What is the trend of revenues? Figures for two intervals are offered for comparison. For 1926, revenue receipts were $2,332,000,000, or $69.20 per capita. For 1930, the total was $2,819,000,000, or $77.34 per capita. In 1926, general property taxes comprised 63.9 per cent of the total; in 1930, 63.8 per cent; and in 1934, 62.6 per cent. These figures indicate the upward trend of revenues needed, with some recession during the depression. Grants-in-aid have mounted suddenly, from $89,000,000, or 3.8 per cent, in 1926, to $330,000,000, or 12.2 per cent, in 1934, denoting a new trend in federal-state-local government relationships. Grants are now being received for public works, education, welfare, and social security, as well as highways, with slum clearance and housing in the offing.

GOVERNMENTAL COSTS

And what of the cost of government? It is necessary in considering this question to analyze the problem and figures carefully. A city's total expenditures may include—and usually do—current operation not alone of general tax supported departments and activities but also utilities that are wholly or partially self-supporting; also interest on the city's bonds and other indebtedness; and, finally, capital outlays. Expenditures for capital outlays are reported by the Bureau of the Census in the year made, classified by the type or character of outlay; therefore, the principal amount of debt retired each year is not reported as a cost-payment.

Stated summarily for the four general classes of expenditures, the 1934 figures of governmental cost-payments total $2,523,000,000, classed as follows:

Operation and maintenance of general departments	$1,745,000,000
Operation and maintenance of public service enterprises	120,000,000
Interest	353,000,000
Capital outlays	305,000,000

As capital outlays may be—and usually are—financed from other than current funds, and the expenditures may range substantially from year to year for any city, or in any given year among

cities, it is held by the bureau to be undesirable to publish per capita figures including such outlays. Exclusive of outlay payments, therefore, the bureau report shows operation and maintenance and interest totaled $2,218,000,000, or $59.01 per capita. This was an aggregate of $493,000,000 less outgo than revenue receipts for all cities, and more specifically, the report shows that only four cities reported an excess of payments for these purposes over their revenue receipts.

Comparatively, the total payments for operation and maintenance and interest in 1926 were $1,776,000,000, or $52.69 per capita, with an excess of $557,000,000 over operation, maintenance, and interest. In 1930, revenues were $2,220,000,000, or $60.89 per capita, with an aggregate of $599,000,000 less outgo than revenue receipts, only two cities reporting an excess of payments for these purposes over their revenue receipts.

The largest class of expenditures is, of course, for operation and maintenance of general departments. These expenditures are reported by the bureau in nine classes: general government; protection to life and property; conservation of health; sanitation; highways; charities, hospitals, and corrections; education; recreation; and miscellaneous. Each of these is further broken down into the chief divisional or functional classes in the report, which will not be set forth here.

Suffice it to state, however, that with the "local option" existing in our cities regarding the nature and extent of their classifications and records, the bureau finds it necessary to spend much time in recasting local accounts to conform to the bureau's classifications. This is not to disparage the kind of local records maintained; instead, local financial officials coöperate cordially with the bureau, and many of them have requested the bureau to supply its official classifications in order that they might adopt them. In the states maintaining supervision over the accounting procedures of local units, much progress has been made to this end. It should be mentioned that the work of the National Committee on Municipal Accounting[4] undoubtedly will result in further definite accomplishment of the desirable objective of uniformity in classifications and reporting.

Citing only briefly the data on costs of general government, the comparative per capita figures are quoted in the accompanying table (page 135).

As a single suggested topic of interest, the trend of expenditures by major functions would be a rich field. What is happening in protection, education, welfare, costs—quite apart from the set-back in general upward trend during the depression?

DEBT

Turning briefly to debt, it is found that the gross indebtedness—funded and unfunded—of the ninety-four cities as at the close of their fiscal year 1934 was $8,477,000,000, or $225.53 per capita. This total includes $2,680,000,000 for public service enterprises, which are largely self-supporting as to debt service charges. Net debt, however, was only $6,380,000,000, or $169.76 per capita. It is impossible to report separately the net debt to be retired from taxation, as the cities' records of sinking funds are not invariably segregated to show public utility assets.

As at the close of 1926, gross debt was $6,448,000,000, or $191.32 per capita, of which $1,083,000,000 was for public service enterprises. Net debt

[4] See "Municipal Accounting Statements" by the National Committee on Municipal Accounting, 850 East 58th Street, Chicago, published in 1936.

		1926	1930	1934
I.	General government—mayor, council, treasurer, finance, assessing, courts, elections, etc.	$3.67	$4.34	$3.61
II.	Protection to life and property—police and fire departments, building inspection, etc.	8.30	9.47	7.95
III.	Conservation of health—control of communicable diseases, medical work for school children, food inspection, clinics, etc.	1.02	1.22	1.13
IV.	Sanitation—refuse collection and disposal, street cleaning, sewage disposal, etc.	3.19	3.52	2.44
V.	Highways—highway maintenance, snow removal, street lighting, etc.	3.80	3.96	2.97
VI.	Charities, hospitals and corrections—care of poor—outdoor relief, care of children, general hospitals, corrections for adults and minors, etc.	2.57	3.66	9.18
VII.	Education—schools and libraries	15.20	17.10	14.56
VIII.	Recreation—educational recreation, parks and trees, etc.	1.45	1.76	1.29
IX.	Miscellaneous—pensions to police, firemen, teachers, etc.; mothers' and soldiers' and sailors' aid, undistributed, etc.	2.04	2.61	3.30
	Total	$41.24	$46.43	$47.64

was $4,490,000,000, or $133.21 per capita. At the end of the fiscal year 1930, the gross debt was $8,635,000,000, or $236.87 per capita, with $2,554,000,000 public service enterprise debt. Net debt was $5,820,000,000, or $159.65 per capita.

These figures invite many questions as to each city's debt-incurring and retirement policies which, however, are left to the reader to raise and answer. The annual payments for interest on this debt suggest the desirability of a pay-as-you-go policy, especially for recurring and minor outlays. The trend of debt, however, appears to be ever upward regardless of conclusions upon such policies.

ASSESSED VALUATION

A final subject for summary reference is assessed valuation of property. Here the problem arises of how many different valuations are made in the city in a single year for city, school, county, and state taxes. Only the valuation of city property for city taxes is here considered, however. The total for all cities for 1934 was $57,296,000,000, or $1,524 per capita. This figure, however, does not reflect the effective ratio of assessed to true value, which varies widely from 100 per cent in many cities. Of the total, $49,891,000,000 was real estate, and $7,405,000,000 personalty. Not all this property, of course, paid the full rate of taxes, the report showing the exact rates and levies in all cities and for all purposes. A total levy of $1,773,000,000 for the year was made, or $47.16 per capita.

Comparable figures for 1926 were a total valuation of $57,248,000,000, or $1,699 per capita, and a total levy of $1,750,000,000, or $51.93 per capita. In 1930, the valuation was $71,339,000,000, or $1,957 per capita. Of this total $59,533,000,000 was real estate, and $11,806,000,000 personal property. The total levy made that year was $2,172,000,000, or $59.57 per capita. Here

again, as in the other financial data, the economic effects of the depression are clearly reflected—to the handicap of the revenue-raising officials of the cities.

These are the high spots of the bureau's annual compilation. Until 1932 the bureau included all cities over 30,000 population, and also compiled a separate annual report of the financial statistics of states. It is hoped that legislation, accompanied by the necessary appropriation by Congress, may enable the bureau to restore its more extensive coverage, which was interrupted by the necessity for retrenchment. A widespread demand for data of both states and cities exists, by taxpayers and citizen agencies on the one hand and by federal departments on the other.

In the compilation of the statistics many problems arise, and these are being given consideration constantly by the bureau. One particularly insistent urge is that the data be presented more nearly currently. The time schedule has been stepped up, but there must always be a spread between the close of the city's fiscal year and the time the books are available to census field men. Further, the report cannot be closed until the last city is in, and the tabulations for all cities compiled—and, too, pressure upon the government printer requires that this report take its order of precedence with the many other federal publications.

Modern tendencies in sources of revenue, such as income and sales taxes and grants-in-aid coming to the relief of the general property tax, necessitate revision of the schedules each year. Similarly, the effect of the varying agencies—federal, state, and local—set up to administer and finance emergency relief, requires careful attention, as does the institution of social security services. The expansion of state legislation to permit municipalities to issue non-tax-retirable "revenue bonds," and the creation of independent authorities with borrowing power, the exemption of homesteads and industrial properties from taxation—these, and other recent trends affecting taxation and debt must be reflected in the reports.

In conclusion, it was the purpose, in presenting this condensed recital of the receipts and expenditures, taxes, debt, and assessed valuation data of the ninety-four cities, to indicate the value of the report to everyone—to the administrative official, the urban legislator, the taxpayer, and the student of city government. A comparison of the data over a period of years for any city, or for several cities of comparable economic and social conditions, will afford an indispensable background in forming conclusions about the conduct of the city.

LONDON COUNTY COUNCIL

(Continued from Page 126)

is precluded from obtaining any measure of municipal socialism, but it has gained something in popular confidence by administering London affairs with skill and efficiency, and has alleviated some suffering in the poorer districts by its more liberal policy in the social services. The real issue before London electors on March 4th was: Are the augmented services furnished by the Labor Council majority worth the extra money which they have cost? The electorate has rendered its verdict in the affirmative.

HOUSING INSPECTION

(Continued from Page 128)

Housing administration unquestionably constitutes one of the great challenges to city government in America. The days of the politically appointed housing inspector and the lay sanitary inspector must be numbered if housing administration is to accomplish the social purposes of housing laws.

LETTERS TO THE EDITOR

To the Editor of the National Municipal Review:

I think you will be interested in one of the events of my five weeks' lecture trip to the west coast, where I was on one of the new public forums. Naturally, all my subjects were on local government, and the local situation was considerably stirred up. I had some twenty engagements outside of the regular program, but the prime one, which is the cause of my letter, was a "debate" on manager vs. commission government, in the council chamber at Portland on December 23rd. I debated with the mayor and two of the commissioners. As you probably know, Portland has the commission plan. The affair was arranged by the editor of the *Portland Journal,* who presided. The interesting part to me was the fact that it took place. I don't know where a similar debate could be held east of the Rockies.

The publicity was aplenty, but was added to by the refusal of the commissioner of public affairs to allow the use of the hall for the night. He had the bureau of city property under his control. His reasons were that I "knew nothing about government," and came "west to grind an axe in placing trained men in governmental jobs." The mayor has power under the charter to transfer bureaus, so he transferred this one to himself a day or two before the party. Naturally the place was packed, although two nights before Christmas. The mayor started the versus part of the debate, and his subject turned out to be "How My Administration Saved a Million and a Half." He said quite frankly at the beginning that he did not intend to argue either way on the main question. The two commissioners followed suit—about 90 per cent. There was very little rebuttal, because there was very little to rebut. The public was left about five minutes for questions, and the first one was, "Will the chairman give the audience a chance to vote by show of hand as to who won the debate?" It drew a good laugh and a promise by the chairman to take it under advisement, with a later refusal. Frankly, I was astounded when they told me such a meeting could be arranged, but public interest had been aroused to the extent of four editorials in advance, so it was a very gentlemanly way to draw the thing to a conclusion.

The council stands three to two, as is the case with most commissions that I have known about. Only one of the five has had a training fitting him for his work. The director of works is a graduate architect and civil engineer, and a very good fellow. I believe that both the mayor and the director of works favored the manager plan before their first election, four years ago, but have changed their minds in the meantime. I understand from citizens that the mayor committed himself to the plan several times publicly during his first campaign. Both were recently re-elected.

The editor, who was chairman, announced in the beginning that he was against the manager plan, so I knew where I stood. But the entire affair was most friendly. It made me like Portland very much. I had one audience of about three thousand on career men and public service, so I feel that we may find room on the Pacific for some of our "experts" as they finish. In fact, the director gave me encouragement about placing one for a training period with himself or the mayor.

Sincerely,

Cincinnati Municipal Reference Bureau

Henry G. Hodges

RECENT NEWS REVIEWED

NOTES AND EVENTS
Edited by H. M. Olmstead

Plans for State Governmental Reorganization.—The proposals for reorganizing the administrative phases of the federal government have their counterparts in several states where administrative reorganization measures are before the legislature. In Tennessee such a bill has just been signed by Governor Gordon Browning, in Connecticut and Texas bills have been introduced, and in Oregon a reorganization report has been submitted to Governor Charles H. Martin. Colorado is reported to be considering general reorganization while Kansas, Georgia, New Mexico, and Washington have bills dealing with welfare department reorganization only. In general, according to Secretary Paige of the Governmental Research Association, state reorganization plans now pending would simplify administrative machinery and concentrate administrative authority and responsibility in a single officer—the governor. Most of them would create the agencies of supervision which a governor must have if he is to discharge his administrative duties properly. They also provide for auditors-general and comptrollers-general to check on the executive and the administrative departments through post-audits and investigations.

The Tennessee measure, first to be carried through, establishes ten state departments, each headed by a single commission to hold office at the pleasure of the governor. All administrative bureaus, divisions, and agencies of the state are placed in some one of these departments. The act provides for a division of personnel in the department of administration. Other provisions include an executive budget, centralized purchasing, centralized accounting, and supervision of local government finance. The comptroller of the treasury, an official selected by the state legislature, is to head a department of audit, which will conduct a post-audit of all financial records and serve as the staff agency of the legislature in making investigations of state finances.

The Connecticut reorganization plan was outlined in this department in February.

A measure was introduced in the Texas house of representatives on January 27, proposing an "administrative code" that would reorganize and simplify the state government. The bill provides for 19 administrative departments, each headed by a commissioner appointed by the governor. Several score of offices and other agencies of the state government would be abolished under the reorganization, and their functions taken over by the 19 departments. The heads of the 19 departments and the governor would form an "executive cabinet," required to meet at least once a month. A unique feature proposed in the bill is the office of "secretary to the executive cabinet," who is to concern himself solely with administrative and operating processes and procedures. The secretary's primary duty will be to provide each succeeding state administration with his accumulated knowledge and experience of the business management and operating program.

Reorganization proposals for Oregon result from a study ordered by the legislature in 1935, which created an Interim Commission on Governmental and Administrative Reorganization. The report of this commission deals primarily with problems of finance and business regulation, public welfare, and conservation of natural resources. The report

urges still further research in state administration, and recommends a continuing commission of investigation. Oregon has 81 separate offices, commissions, board, and agencies administering affairs, with several other units operating independently. Under the proposed reorganization, the three separate agencies which now share in the control of state expenditures would be consolidated into one state department of finance, with a director appointed by the governor. Consolidation of the present offices of executive secretary and private secretary to the governor is also advised, with the present budgeting duties of the executive secretary placed in the department of finance. Numerous agencies now concerned with the administration of public welfare activities would be brought into a department of welfare, which would have charge of the administration of all social security measures.

Two States Go to Merit System.—Arkansas has achieved the distinction of adopting the first state civil service law in 1937, after a close race with a number of other states considering similar legislation, according to the Civil Service Assembly of the United States and Canada. The Arkansas measure, which provides the tenth state civil service system in the country, was signed by Governor Carl E. Bailey on February 3. It is expected that the legislatures of Michigan, Tennessee, and Connecticut will adopt merit system laws during their present sessions. The Assembly's *News Letter* states that the Arkansas statute "provides for the establishment of a genuine merit sytem which will be free from the handicaps of veterans' preference and rigid residence restrictions. A comprehensive personnel program will be developed to include a classification and compensation plan, a scientific recruiting system, employee training and other constructive in-service activities, and a removal procedure which will protect competent employees against political favoritism and yet facilitate the separation of unsatisfactory workers."

A second victory for better governmental personnel within the first two months of 1937 was marked with recent passage of the Tennessee merit system act unanimously by both legislative houses. Eleven states now have active civil service laws: Arkansas, California, Colorado, Illinois, Maryland, Massachusetts, New Jersey, New York, Ohio, Tennessee, and Wisconsin.

With forty-two legislatures still in session, favorable action on other merit sytem proposals is expected before 1937 legislators leave their desks, according to the Civil Service Assembly of the United States and Canada. Bills have already been introduced in Connecticut, Georgia, Indiana, Michigan, and Minnesota. In Idaho, Maine, and Nebraska bills are being prepared, and in Alabama, Florida, New Hampshire, Pennsylvania, and Rhode Island active interest is reported.

The Tennessee act, like that of Arkansas, provides that the service and facilities of the state personnel divisions should be available, upon request, to local governmental subdivisions of the state. It also strengthens the usual provision for a six months' probationary period for employees by providing that an employee is automatically dismissed at the end of the probationary period unless a written recommendation is made by the department head to the director of personnel to the effect that the worker is to be given a regular position in the civil service.

Employees now in the state service in Tennessee are not to be "blanketed in" under the new system, which is another unusual provision. Those holding positions that will come under the classified service will take qualifying tests which, if passed, will give them a regular status. Employees who do not qualify will be replaced by persons selected through open competitive examinations.

Opportunity for transfer of employees from one position to another or to a higher rank is freely given under the act, upon certification of the director of personnel. Transfer to a higher position necessitates the taking of qualifying tests. This provision follows the recommendation made for the federal civil service in the report of the President's Committee on Administrative Management, that the civil service administrator give particular attention to "the facilities for transfer as a means of utilizing more completely the personnel resources of the government, the development of executives, the promotion system, examinations for higher positions, and coöperation with the personnel agencies of state and local governments."

Single-Chamber Legislature Proposed in Ohio.—A major item in the legislative program of the Cleveland Citizens League this winter will be a constitutional amendment providing for a unicameral legislature and equal representation in that body from all parts of the state. Two years ago there were two unicameral proposals introduced into the general assembly: one by the state committee of the Citizens League, the other by the committee sponsored by the Scripps-Howard newspapers of the state. Neither proposal was approved. An effort is being made to consolidate the two into one amendment so that all groups in the state interested in progressive reforms can coöperate in support of one plan.

*

States Coöperate for Flood Control.—At the third biennial general assembly of the Council of State Governments, which met in Washington January 21-24, the flood emergency in the Ohio Valley received special attention. The assembly approved the creation by the states of commissions affiliated with the council to work with the federal government on a long-range program in line with the 1936 flood control act.

A conference of representatives of the states in the Ohio Valley, called together by Henry W. Toll, executive director of the council, was held in Columbus, Ohio, February 5-6, and resulted in the formation of the Interstate Commission on the Ohio River Basin, which met in Indianapolis, Indiana, February 19-20, to line up collective state forces against future flood disasters and to formulate a sound water policy for the area.

The Washington assembly also took action in favor of four uniform acts for the apprehension, extradition, prosecution, and punishment of criminals; the granting of federal appropriations for the relief of transients and assumption by the federal government of responsibility for old-age benefits for Indians; adoption by the states of uniform laws for handling transients and for the transfer of dependents; and the joint financing by Congress and the council of studies on conflicting taxation by the Tax Revision Council.

Bills providing for commissions on interstate coöperation in general have passed one or both houses of the legislatures of Ohio, Indiana, West Virginia, and New Mexico and have been introduced in Arkansas, California, Colorado, Connecticut, Georgia, Illinois, Iowa, Kansas, Maine, Maryland, Montana, Oregon, Pennsylvania, South Dakota, Texas, and Washington. The Council of State Governments also foresees action in Minnesota, Massachusetts, Missouri, Nebraska, North Carolina, Oklahoma, Tennessee, and Wisconsin.

*

Expert Assistance Towards Improved Municipal Accounting.—The Municipal Finance Officers' Association of the United States and Canada, as announced by Carl H. Chatters, executive director, from its headquarters in Chicago, has established an advisory service in municipal accounting, in coöperation with the state leagues of municipalities and national organizations that want improved municipal accounting and reporting. The municipal leagues now exist in forty states and represent a total of seven thousand cities.

The advisory service will be given at the specific request of any city or village. It will utilize the standards developed by the association's accounting committee and the National Committee on Municipal Accounting. The association staffs will, on request, review the financial reports of local officials and give them a statement of how closely they conform to these standards with a bill of particulars telling how they may be improved.

This action by the association will benefit other movements to improve the accounting and reporting of local governments. The Atlanta *Constitution* has announced prizes totaling $7,500 for the Georgia county making the greatest improvement of benefit to its citizens in 1937. The New Jersey Taxpayers' Association is sponsoring a competition for better municipal reports. The Vermont Chamber of Commerce through James P. Taylor has long been a pioneer in this field. Clarence E. Ridley, editor of *Public Management*, made his tenth annual appraisal of municipal reports in the NATIONAL MUNICIPAL REVIEW in January. His efforts have brought about a marked national interest in the preparation of annual reports understandable to the ordinary citizen.

In addition to offering this service to local finance officers on their special problems, the Municipal Finance Officers' Association has prepared a reading course and study program

on municipal finance. From it public officials can increase their knowledge on tax collecting, budgeting, general accounting, and other subjects.

*

Atlanta Surveys Its Financial Troubles. Instead of the mayor's recommendation of an increase of two and a half mills in the tax levy of Atlanta for five years and an additional one and a half mills permanently, the Consultant Service of the National Municipal League suggested that the increase be limited to one mill for relief and one mill for five years for retirement of the city's deficit now financed by scrip.

The Consultant Service, of which Dr. Thomas H. Reed is director, made a careful study of the city's financial situation at the request of the Atlanta Chamber of Commerce. The suggestion that the increase be only temporary is a deliberate challenge to the citizens of the Atlanta area to work out a permanent solution and put their house in order in the next two years. The report presents logical solutions both for the city's immediate financial crisis and its permanent problem. The situation has developed, apparently, because of overestimation of revenues and failure year after year to adjust outgo to income.

Except for the increase in ad valorem taxation, the report approves the new mayor's eight-point program, including: (1) Approval of the refunding of past due bonds now represented by certificates, about $1,300,000, and of approximately $500,000 of the general maturities of 1937, with thirty-year bonds; (2) Refunding of scrip, amounting to $1,600,000, by five-year notes bearing 2 per cent to 2½ per cent interest by a one-mill levy. This would relieve the budget of $27,500 each year; (3) Approval of constitutional amendment giving the city clear constitutional right to borrow in anticipation of taxes; (4) Approval of the proposed charter amendments giving the city home rule power over charges for water and sanitary service, and reserving 10 per cent of all water receipts for extensions, repairs, improvements, etc; (5) Adoption of a charter amendment increasing the limit on business licenses from $300 to $1,000, thus reaching business which does not pay ad valorem taxes; (6) A one-mill tax levy limited to use for relief purposes by the city after deducting the schools' 30 per cent and further limited to 1937 and 1938 only; (7) Immediate restoration of base pay to all employees whose base pay is $1200 or less, costing about $20,000; followed, when results of the new legislation have been proved by a few months' experience and the possible increase in non-tax revenues arising from better business conditions has become fact, by restoration for those whose base pay is $1800 or less, costing another $60,000.

The report insists on limiting the tax increases to an emergency period and strongly urges the need of taking immediate steps toward a permanent solution of the problem so that before the emergency measures expire, the financial affairs of Atlanta and the surrounding area can be put on a satisfactory basis fair to the taxpayers. "While we are prepared to recommend giving the city power to fix water and sanitary service rates," says the Consultant Service, "powers it ought in the nature of things to possess, we are not prepared to recommend increasing the tax rate except as an emergency measure. Other methods for relieving the financial stringency of the city ought to, and we believe can be, worked out without fixing on the taxpayers permanent tax increases which will make an ultimate solution all the more difficult."

DORIS DARMSTADTER

*

Manager Plan Developments.—Voters of the village of Middlebury, Vermont, at the annual village meeting, January 20, unanimously adopted a proposal for a town and village manager. The town of Middlebury, in which the village is situated, had previously approved the proposal.

A proposed council-manager charter for the town of Bridgton, Maine, prepared by a committee in accordance with a proposal approved at the last annual town meeting, goes to the state legislature at the present session.

Two counties where the manager plan is a live topic are Chesterfield County, Virginia, and Erie County, New York.

Oxford, North Carolina, is preparing a charter to present to the 1937 legislature incorporating the council-manager form of government. Americus, Georgia, is also preparing a bill for the general assembly to provide the

manager form of government. The city council of Cañon City, Colorado, has passed on first reading an ordinance for the adoption of the manager plan, providing for a city manager for a two-year trial period starting April 1. Chadron, Nebraska, on January 26, defeated a proposal to establish a manager form of government by a vote of 772 to 535.

In Colorado the League of Municipalities is sponsoring a bill to permit any city to adopt the city manager plan of government. At present only cities over 2,000 population are entitled to draft their own charters and hence only this group can adopt the city manager plan. Six cities have adopted the plan in this way.

*

Three Municipal Utilities and a City Manager.—The little city of Painesville, Ohio, reports substantial profits for 1936 from its three municipal utilities—water, electricity, and gas; and the Painesville *Telegraph* comments that "the city is fortunate in having as the administrative head of these three plants City Manager Clifford S. Fullerton." Operations of the electric utility, in particular, were so successful that the city council cancelled one month's bills of the patrons of the plant.

*

Information Service and California Cities and Counties.—The League of California Municipalities and the County Supervisors' Association of that state are inaugurating a new service the function of which, according to *Western City*, will be to gather information for the use of city and county officials on all matters of local government administration outside the field of law. Because the new service is to be operated by the joint committee representing the two associations, it will be known as the "Joint Information Service." The executive secretary of the League will serve as the executive for the new service.

*

Commission on Harvard School of Public Administration Reports.—The report of the preliminary investigating commission on the proposed school of public administration at Harvard University, made possible by a gift of two million dollars by Lucius N. Littauer, New York philanthropist, was made public on January 26. The commission is headed by Harold W. Dodds, president of Princeton University and the National Municipal League; the other members are Leonard D. White of the United States Civil Service Commission, Professor William B. Munro of the California Institute of Technology, and Professors Wallace B. Donham, Harold H. Burbank, and Morris B. Lambie of Harvard. Among its recommendations were: that the school should provide a thorough grounding in the fundamental principles and problems of public administration rather than highly specialized preparation for individual branches of public service; that realism rather than theory be emphasized; that high government officials be brought into contact with the student body, which should consist mainly of young men already in government service; that courses should deal with the actualities of politics, administrative problems, economic analysis, the business phases of governmental policy, etc.; and that a year should be spent by the faculty in conferring with federal, state, and municipal officials in the preparation and testing of courses and in collecting instructional data, before any students are admitted.

*

Scholarships for Governmental Internes.—The national Institute of Public Affairs, Investment Building, Washington, D. C., announces thirty graduate scholarships providing for "interneship" training in the federal government, from September 20, 1937, to June, 1938. The recipients will be graduates, endorsed by their colleges, and will serve as full time assistants to government officials, with attendance at seminars, courses and discussions, and personnel supervision by Dr. Henry Reining, educational director of the Institute. Louis Brownlow is president of the latter.

*

Police Training.—The Northwestern University Traffic Safety Institute, Lieutenant Franklin M. Kreml, director, has announced its fifth traffic officers training school, to be held March 15 to 17, inclusive, at Evanston, Illinois; and also that seven police officers, each from a different state, have been awarded fellowships entitling them to a full academic year of resident work at the institute. The fellowships, comprising the total sum of five thousand dollars, were made possible by the Kemper Foundation for Traffic Police Training.

Ohio State University is offering its fifth short course in police administration, at Columbus, during the week beginning March 22. Professor Harvey Walker is director. Both the Northwestern and Ohio State University schools are limited to fifty men.

Fellowships in Public Administration.—The University of Minnesota announces a limited number of fellowships in public administration, both pre-service and in-service. The training period for pre-service fellows is two years of graduate work, the first being at the university and the second in service in some governmental department. The in-service fellowships will be for one year, and will include the completion of a research project.

New President of British Institute of Public Administration.—Sir Josiah Stamp has been elected president of the Institute of Public Administration, of London, England, succeeding Sir Austen Chamberlain, who served as president since 1927, following Lord Haldane. The institute, which dates from 1922, consists mainly of officials of the national and local public services, and provides a meeting ground for the exchange of information, experience, and new ideas in public administration. The new president is one of the original members, has had broad experience in the civil service and also in private industry, particularly as head of the London Midland and Scottish Railway, and is a well known writer and speaker on administrative problems.

Expression of Appreciation

Due to the fact that it has been impossible, as in the case of the American Red Cross and the numerous federal agencies, to personally contact and thank the hundreds of municipalities which offered aid and assistance in the recent flood disaster in the Ohio and Mississippi River Valleys, I have been requested to publicly thank, through all mediums possible, the cities and the officials thereof that came to the aid of the city governments in the flood area.

The city government of Louisville and Mayor Neville Miller are especially anxious to acknowledge the aid of the police officers who were sent to Louisville in response to his plea for help. To those who may not have received a personal acknowledgment of their offer of aid from the city officials concerned let me, through the coöperation of the National Municipal Review and on behalf of the several flooded cities, extend grateful thanks.

The flood is over and, of course, the losses in life and property are tremendous. But they would have been worse if it had not been for the magnificent and splendid coöperation of cities from all sections of the United States.

By direction of the United States Conference of Mayors.

Paul V. Betters,
Executive Director

COUNTY AND TOWNSHIP GOVERNMENT

Edited by Paul W. Wager

North Carolina—*Debts of Local Units Refunded.*—One of the principal activities of the Local Government Commission during the last four years has been the refinancing of the bonded debt of local units. Its efforts have resulted in reducing the number of counties in default from sixty-two to twenty and the number of defaulting cities and towns from 152 to 83. Moreover, in the course of the years the refinancing will result in a saving of about $36,000,000 in interest. While this achievement must be attributed largely to an extraordinarily favorable investment market, it would hardly have been consummated without the assistance of the state agency.

In the four-year period new bonds amounting to $11,864,000 were issued by the local units and bonds amounting to $32,500,000 retired. There have been no refinancing plans up to the present time providing for a reduction of principle.

Doings of the Legislature.—Two important bills passed by the general assembly, or conceded passage, at this writing, are those dealing with liquor and with social security. The liquor bill provides for a county by county referendum on a system of county-operated liquor stores with partial state control and with the state sharing in the profits. The bill does not require any county to vote on the question of establishing legal liquor stores but permits a referendum on call of

the county commissioners or on petition of 15 per cent of the electorate. It does not affect the present liquor stores in seventeen eastern counties granted by local acts enacted by the 1935 legislature.

The social security bill provides that the state and the counties shall share equally in the cost of old-age assistance except that there shall be set up an equalization fund to aid the poorer counties. The program is to be administered by the present state and county boards of public welfare.

As a result of the adoption in November of a constitutional amendment permitting the classification of property for taxation, intangibles will be taxed at low uniform rates and with half of the proceeds going to the state. The state has not shared in the property tax since 1920.

The present legislature followed the example of previous ones and defied the constitution by refusing to re-district the state in accordance with the 1930 census. Redistricting would cause the agricultural East to lose seats to the industrial Piedmont.

A local bill to dismember Avery County, a poor mountain county created in 1911, and restore its parts to the counties from which it was created, was killed in committee. It was a sensible bill, for Avery is the state's youngest county and too limited in resources to justify an independent existence. Another bill providing for an increase in the membership of the Avery County board so as to change its political complexion was reported favorably by the same committee.

P. W. W.

Kentucky—*Lower Taxes Through Reorganization.*—While county governmental reorganization has suffered a set-back in the repeal of the jailer-sheriff consolidation act, the other four acts sponsored by the Kentucky Tax Reduction Association and enacted into law in 1934 are still in effect and producing desirable results. The county budget law, together with the others, has brought about reduced county expenditures and a debt reduction of $5,280,000 in the last two years.

Other reforms are in the offing. A resolution prepared by the association was adopted by both the house and senate on the closing day of the special session, asking that the legislative council prepare a bill or bills providing for the abolition of the fee system, the abolition of unnecessary county offices, and the merger of overlapping functions of local governmental units.

Kentucky Tax Reduction Association

Arkansas—*County Consolidation Proposed.*—Representative Fred Jones of Montgomery County, serving his second term in the Arkansas general assembly, is concerned with a proposal to have a completely new system of counties, reducing the present seventy-five counties to perhaps twenty-five. Lacking this he at least wants the privilege of consolidating his county with one or more neighboring counties. The motive of many citizens in this and other counties of the state in urging county consolidation or authorization for such a move is to seek relief from the pinch of taxes, heavy outstanding obligations, and the cost of maintaining constitutional county officers in a sparsely populated county with very limited revenues.

Counties in some cases could not hold court in 1936 because of exhausted finances. One judge made a public statement of dubious judicial value that court would be held only for those defendants pleading guilty. In Washington County, seat of the state university, one term of the grand jury was passed over for lack of funds.

There is agitation for reform of personnel, reduction of county officers, and consolidation of counties in several counties of the state.

Legislative Reapportionment.—A reapportionment amendment to the Arkansas constitution presented by initiative petition was adopted in the election of November 3, 1936. This is the first reapportionment since 1890. It will make many changes in the representation of the counties of the state. Heretofore mountain counties have been over-represented and the eastern delta country has been under-represented. The reapportionment is mandatory, enforceable in the courts; a board is created to carry out the intention of the amendment. Populous counties which have been greatly limited in their legislative influence will in the future exert their fair proportion of power.

Criminal Law Reform.—An initiated amendment and initiated act passed November 3 assure the state of Arkansas of some important improvements of procedure in the courts.

Henceforth prosecutions may be brought by information as well as by grand jury action. A simplified form of indictment, a milder form of perjury charge, lessening the chance for a plea of insanity, material reduction of peremptory challenges allowed the defense, and a dozen other points of criminal law reform mark the most sweeping step forward ever taken in the judicial history of Arkansas. The attorney-general has estimated that in the one hundred years of state history every county has lost fully a half million dollars from useless technicalities and formalities obstructing justice; he says that a minimum annual saving to the state from the reforms recently enacted will be three hundred thousand dollars. The student of government is even more impressed with the probable elevating of the standards of justice flowing from such sensible reforms. They are long overdue. Credit belongs largely to Robert A. Leflar, professor of law at the University of Arkansas, and to Abe Collins of DeQueen, chairman of the committee which made the investigation preliminary to the circulating of the initiative petitions. It is almost needless to say that the proposed reforms when presented to the lawyers in the state legislature in 1935, were ignored or defeated.

A Business Record in County Government.—The record of the retiring judge of Pulaski County, Arkansas, has been very creditable. Entering office with the county owing approximately a quarter million dollars, he has conducted affairs in such a businesslike way that he leaves office with all obligations met, except for five thousand dollars of outstanding bills, and with $185,558 in the county treasury. Judge R. A. Cook gave the county business methods, collected delinquent taxes, carried on the services of the county, expanded the hospital functions, restored the financial credit of the county, and at the same time reduced taxes 50 per cent.

SPENCER D. ALBRIGHT, *Director*
Arkansas Municipal League

*

Oregon—*County Planning Widespread.*—Although the state planning commission was organized barely two years ago, there are now twenty-eight unofficial county planning commissions in the state and they may be given official status by the legislature. Fourteen of the boards presented reports of their accomplishments at a recent meeting of planning officials in Portland. Their activities included the making of base maps and maps showing land ownership, land use, tax delinquency, recreation areas, and mineral and water resources. They also investigated water resources and uses, marginal land problems, transportation, schools, and public welfare.

Clackamas County, pioneer in county planning, stands at the head of the list in accomplishment, with several million dollars worth of WPA and PWA improvements made possible by existence of a previously prepared plan.

PUBLIC ADMINISTRATION CLEARING HOUSE

*

Alabama—*Taxes and Fiscal Control.*—Two bills pending in the present special session of the legislature will, if passed, increase county revenues. A prohibition repeal bill which sets up a system of state liquor stores would divide the revenue three ways—60 per cent to the state general fund, 20 per cent to the counties divided equally, and 20 per cent to the municipalities. A bill providing for a 2 per cent sales tax, proposed as a substitute for a gross receipts tax passed by a special session in December, sets aside one-fourth of the proceeds for the counties. Both bills are expected to pass. Another bill provides for the submission of an amendment to the constitution prohibiting the use of gasoline tax moneys returned to the counties for other than road purposes.

The management of county finances is showing marked improvement as a result of the budget control act passed in 1935. This act limits the power and authority of the county boards of revenue to approve and pay claims for current operating expenses in any fiscal year to the income of the county available for such purposes. Another act, which went into effect October 1, 1936, provided for the establishment and maintenance of a uniform system of accounting and reporting in all the counties.

Consolidation of Offices Defeated.—Two proposed amendments to the constitution affecting particular counties were defeated by substantial majorities at the November general election. One provided for the consolidation of the offices of tax assessor, tax collector, treasurer, and license commissioner of

Jefferson County into the single office of county comptroller. It was estimated that it would result in a saving of $50,000 annually. County office-holders throughout the state waged an intensive fight against it. The other proposed amendment would have taken the tax collector, the tax assessor, and the probate judge of Limestone County off the fee basis and placed them on a salary.

CHARLES W. EDWARDS
Alabama Polytechnic Institute

*

Missouri—*Would Merge Three Counties.*—A movement to consolidate Iron, Madison, and St. Francois Counties, according to the *Kansas City Times,* has been inaugurated by the Arcadia Valley Enterprise, following the defeat of a proposed bond issue to build a new Iron County courthouse. It is now proposed to have the three counties use the St. Francois County courthouse at Farmington. The people of the three counties have already been brought into close relationship by good roads and it is believed that a merger would greatly reduce the cost of government.

County Consolidation Proposed.—Governor Park in his message to the legislature recommended the consolidation of several of the smaller counties into one in order to save the taxpayer so much expense for salaries of county officials. The state has 114 counties many of which are small and with a very limited assessed valuation.

*

Colorado—*Consolidation of Counties Proposed.*—A bill introduced into the general assembly would consolidate the sixty-three counties of the state into not more than twenty-five. A similar bill was introduced two years ago, but was defeated by the representatives from a bloc of small counties. Proponents of consolidation are more hopeful this time because the need of additional taxes for pensions and relief is prompting business men to seek this money from a revision of the governmental structure.

Another bill provides for the consolidation of the state's more than two thousand school districts into not more than one for each county. Another would consolidate district and county courts. Still another bill provides for a comprehensive reorganization of the health agencies under control of the state board of health. Each county would create a new county health board and levy a special property tax to finance the health work.

Adapted from *Denver Post*

*

Georgia—*Efforts to Effect Consolidation Blocked.*—Efforts in Atlanta to effect a consolidation of overlapping city and county departments appear to have been blocked by the refusal of the legislative delegations from Fulton and DeKalb Counties to sponsor enabling amendments. Recently the DeKalb legislators warned that they would fight any attempt to amend the constitution so as to allow consolidation of any governmental functions that would affect that part of the city of Atlanta which lies in DeKalb County.

At present, the constitution states that mergers cannot be effected where the city lies in more than one county.

Adapted from *Atlanta Constitution,*
January 28, 1937

*

Minnesota—*Savings Through School Consolidation.*—Lake County in northeastern Minnesota has but one school district with all of its schools under one board of education, and it has proven over a period of seven and one-half years that it can operate for less money and give the children better educational opportunities under this system than it was possible to do under the old district system.

Lake County is a large county, sparsely settled, and has a very low taxable value. At one time there were thirty-seven rural schools outside the city of Two Harbors which is the county seat. Today there are but eleven schools operated outside the city. This has been made by substituting transportation or board and room where transportation is impossible.

For the school year 1928-29, which was the last year the old district system was in operation, the total cost of operating the schools in Lake County (all costs except capital outlay and debt service) was $183,794.13. Under the county system in 1935-36, which is the year just ended, the total operating cost was $145,638.47. This represented a saving to the taxpayer of $38,155 or about 21 per cent without reducing salaries or curtailing on any educational service.

Adapted from C. E. Campton in
The Municipality (Wisconsin)
February, 1937

Pennsylvania—*Reorganization of Philadelphia in Prospect.*—A resolution passed by the legislature in 1935 and which will undoubtedly be passed again in the current session provides for a constitutional amendment authorizing the consolidation of city and county governments in Philadelphia. If the resolution passes this year, it will go before the voters in 1938 and, as both parties are pledged to consolidation, it should be approved. Then there will be a need for a new city charter. A group in the legislature is properly insisting that before a new charter is framed, city and county governments should be very thoroughly investigated in order that the new basic law will meet the necessary requirements.

Adapted from *Philadelphia Public Ledger,* January 14, 1937

*

California—*County Consolidation Proposed.*—A county consolidation bill has been introduced in the state legislature. It is an enabling act which would permit two or more counties to consolidate with the approval of the majority of the voters of each county involved. The Hearst newspapers for years have urged county consolidation in California.

TAXATION AND FINANCE
Edited by Wade S. Smith

Debt Control for New York Cities Proposed.—Creation of a state commission to supervise the debt expenditures of local municipalities in New York State is proposed by the New York State Commission for the Revision of the Tax Laws in a recent recommendation to the state legislature. The chairman of the commission, former State Senator Seabury C. Mastick, points out that in view of the substantial portion of local budgets which goes for debt service, debt control is a feasible and far more practicable approach to tax control than the over-all tax limit panacea.

Under the control scheme, all municipalities proposing to issue new bonds would be required to submit their proposals to a municipal finance commission. If the existing and proposed debt, including all overlapping burden falling upon the taxpayers of the unit, was 10 per cent or less of assessed valuations, the issue would be permitted. If the contemplated over-all debt burden exceeded 15 per cent of assessed valuation, the finance commission would have discretionary powers in connection with the issue. But if the over-all debt burden was 20 per cent or more, the commission would have no option but to refuse sanction for the new issue. These ratios of over-all debt valuation are generally regarded as indicative of the relationship of debt burden to future safety of operations, a debt burden less than 10 per cent of true value being generally considered conservative, one from 10 to 15 per cent in the dubious range, and any over-all debt in excess of 15 per cent probably indicative of future difficulties and possible default in time of economic stress. If anything, therefore, the commission is unduly generous to the municipalities in permitting over-all debt to 20 per cent.

In addition to its debt restricting powers, the finance commission would have the authority to review any municipal budget on petition of a small percentage of the taxpayers of the unit.

While the New York proposal represents a considerable change over the present lack of state supervision of local debt and budgets, it is at the same time much less comprehensive in scope than a debt and budget control program already in effect in neighboring New Jersey. In New Jersey, under a law adopted last year, budgets of 1937 and thereafter of all counties and municipalities must be submitted for approval to the state auditor, who functions in this respect as a supervisor of municipal finance. Also, under the New Jersey bond law, proposed bond issues must be submitted with a financial statement to the state auditor, and if the net direct debt is in excess of the legal debt limit (7 per cent of average assessed valuations for the previous three years) new debt may be incurred only within the range of 60 per cent of retirements since February 1935. The New Jersey debt control statute thus insures a declining debt burden for those units whose net debt is in excess of the limit. The schedule does not include overlapping debt, as does the New York measure. And overlapping debt is sometimes nearly as burdensome in its effect on taxpaying capacity as direct debt.

The debt supervision and budget review recommendation of the New York commission is presented in line with previous proposals for the tightening of municipal fiscal control in the state, and coincides with a de-

termined attack on the legislature by realty interests for a 1.5 per cent over-all tax limit. A resolution already introduced in the legislature would establish, by constitutional amendment, that taxes against any parcel of realty, for all purposes and by all units, may not exceed 1.5 per cent of assessed value plus debt service on funded debt obligations for permanent improvements. The Tax Revision Commission, State Conference of Mayors, and others are joining in opposing the constitutional limit and urging expenditure control legislation instead.

*

Few Defaults to PWA.—A surprisingly small amount of municipal securities have been in default under PWA loan agreements, recent data released by the Public Works Administration indicates. As of December 31, 1936, PWA still held $108,000,000 of municipal obligations, of which only $636,000 was in default on principal aggregating $7,424,000 par value. Considering the almost indiscriminate credit risks which it was necessary for the PWA to assume in furtherance of its project policy, the default record does not seem unfavorable. Of the total in default, $271,000 is in bonds and coupons on forty-two issues which the borrowers are entitled to have cancelled in final settlement of grants, while $219,000 represents defaulted principal on 118 issues of revenue bonds the projects for which are not yet earning.

PWA holdings of municipal bonds as of December 31, 1936, consisted of $33,000,000 of general obligations, $71,000,000 of revenue bonds, and $4,000,000 special obligations. In addition, the RFC held $67,000,000 municipal bonds purchased from the PWA and not yet resold, while the PWA held $25,000,000 of non-municipal bonds, mainly railroads. Since the inception of the works program, PWA had taken in on loans a total of $615,500,000—municipals, railroads, etc. It sold to the RFC $276,500,000 of municipals and $195,000,000 of railroads, with a profit to December 31, 1936, of $9,706,000 and interest of $18,173,000. The PWA loans represent 40 per cent, later 45 per cent, of the costs of projects, and do not include outright grants.

*

Slightly over a billion and a half dollars of municipal (state, county, district, etc.) securities were held by the 5,374 national banks in the United States as of June 30, 1936, according to a recent report of the Comptroller of the Currency. The figure represents a $315,000,000 increase over June 1934, and totals about 37 per cent of the amount of securities exclusive of United States government obligations held by the national banks. As of June 30, 1936, all banks—national, state, commercial, saving, and private—held $3,600,000,000 of municipal securities, according to the report.

*

While Texas considers raising its homestead exemption from $3,000 to $5,000 under a proposed constitutional amendment, the Oklahoma legislature acts under an amendment ratified last November to set the exemption in that state at $1,000, where it must remain for twenty years. Texas' present exemption applies only to state taxes, but the new proposal would cover county, city, school, and special district taxes as well. The amendment would be subject to referendum.

*

With Chicago facing employee suits totaling $22,500,000 for pay restorations, numerous Illinois municipalities have moved to restore pay reductions. Rockford increased its payroll 10 per cent, Moline restored salaries, Peoria restored all salaries and increased firemen over their former level, Rock Island firemen and policemen after receiving restoration are fighting for a 10 per cent increase. Matoon employees got their restoration via the suit route, while the Elgin council turned down a demand of firemen and policemen for a return of their 15 per cent cut. And in Woodstock, Mayor William Burns vetoed an ordinance raising the pay of the aldermen and himself.

*

Considerably higher yield will be experienced from a proposed amendment to the Minnesota state income tax law, which will double and treble existing rates, bringing the tax on given incomes to from half to one-third of the federal figure. If it had been in effect for 1935 incomes, the collections would have been increased from $4,900,000 to $11,200,000.

*

A direct charge on sewer users to cover sewer costs and debt service and thus relieve the general fund of $700,000 annually is proposed by the Providence Governmental Research Bureau as a method of putting relief

expenditures on a pay-as-you-go plan for that city. Release of the sewer expenditure from the general fund, plus the tax funds now being spent on relief, would provide approximately $1,000,000 to be applied to the city's relief bill.

PROPORTIONAL REPRESENTATION

Edited by George H. Hallett, Jr.

Pittsburgh P. R.—Manager Bill Passes House.—On February 17th the Pennsylvania House of Representatives, passed unanimously the optional P. R.-city manager bill for Pittsburgh. The bill had been introduced on January 25th by Representative John J. O'Keefe, leader of the Allegheny County delegation in the house. It was sponsored by the Democratic organization, which now controls the state legislature as well as the city of Pittsburgh, and seemed scheduled for prompt passage in both houses, but at this writing there are reports of delay and possible opposition in the state senate.

The bill is modeled closely on the bill drafted some years ago by a committee of eminent Pittsburgh lawyers with the aid of the Proportional Representation League and introduced in former sessions by Senator Frank Harris, independent Republican, and Representative John J. Kane, Democrat, now county commissioner. It provides for a city manager appointed for an indefinite term by a council of nine elected from the city at large on a nonpartisan ballot by the Hare system of P. R. The question of adoption could be put on the ballot at any time by petition or by resolution of the city council. If the plan should be adopted at a special election this summer or late this spring as suggested, five councilmen would be elected by P. R. at the regular election next fall for a term of two years. They and the four hold-over councilmen whose terms expire two years later would appoint the first city manager next January. In November, 1939, all nine of the councilmen would be elected together by P. R. for the first time and would serve for the regular term of four years. The manager would be removable by the council at any time.

The Civic Club of Allegheny County is protesting against a requirement that the manager be a resident of Pittsburgh and the League of Women Voters against this restriction and against the appointment of the first manager by a council with four hold-over members; but these organizations and many others, including both the Chamber of Commerce and the Central Labor Union, have been supporting the other features of the bill for years. All three newspapers have regularly supported the optional P. R.-manager bills of former sessions. If the O'Keefe bill passes the senate and is signed by Governor Earle, the plan's adoption by the people seems highly probable.

Philadelphia Too?—The Philadelphia City Charter Committee had just prepared its optional P. R.-city manager charter for reintroduction, providing for a referendum next year and the first P. R. election the year after in case of a favorable vote, when a dramatic turn of events made possible the first use of P. R. in Philadelphia as early as next fall.

On February 10 Mayor S. Davis Wilson, elected as a Republican in 1935 along with the usual solid Republican city council, announced that he favored cutting short the term of council by two years and electing an entire new council by P. R. next fall. Philadelphia Republican leaders at first professed to believe it was all a joke, but the mayor repeated and emphasized his statement.

"I was very much in earnest," he is quoted in the *Philadelphia Record* of February 11th. "I favor a city legislative body elected on a basis of proportional representation next November. Under my proposal the present council would go out of office next January. I see no reason why members of the present council, if they desire to hold their jobs, should not be willing to go before the people next November. It is my contention that Philadelphia should have a legislative body elected without regard to party labels. Every group in the city should be represented in city council."

The mayor's proposal was made at a conference in Harrisburg on Philadelphia legislative matters with Jack Kelly, Democratic leader of Philadelphia and the mayor's opponent in the last mayoralty campaign. Mr. Kelly promptly gave it his hearty approval, which should in the present circumstances be sufficient to secure the necessary legislation

from the Democratic legislature. Democratic support should be whole-hearted—the present council contains only one Democrat (elected recently to fill a vacancy) out of a total of 22, although the Democratic mayoralty vote the day of the last council election was 333,811 to 379,299 for the Republicans. No other Democrat has ever been elected to the Philadelphia council since the present charter was adopted in 1919. The drive for P. R. in Philadelphia has come not only from Democrats, however, but even more from independent Republicans, who have been almost as thoroughly excluded from representation as the minority parties.

A few days after his first sensation Mayor Wilson caused another by announcing, on February 14th, that he would urge legislation to give Philadelphia the city manager plan. Since the P. R.-manager combination is exactly what the City Charter Committee has been urging before each legislature since 1929, its secretary, Thomas J. Walker, promptly offered its coöperation. We hope to have further news next month.

*

A Hearing in Boston.—The cities committee of the Massachusetts legislature will hold a public hearing March 4th on house bill No. 1409, by Representative Christian A. Herter of Boston, the optional P. R. bill referred to in this department last month. The bill provides that any city, including Boston, or any town may adopt P. R. for any municipal body or the corresponding Hare system of majority preferential voting for any single elective officer by a 10 per cent petition and popular vote. Mr. Herter is the Republican majority leader of the house. The senate sponsor of the bill, Senator Joseph R. Cotton of Lexington, is the Republican majority leader of the senate. As reported last month the Massachusetts legislature also has under consideration a bill by Representative Rufus H. Bond of Medford to permit any city to adopt the combination of P. R. and the city manager plan by petition and popular vote.

*

P. R.-Manager Drive in Chicago and Illinois.—A promising civic movement for adoption of the city manager plan with proportional representation is developing in Chicago and extending to downstate communities. A bill has been prepared for introduction in the Illinois legislature under the leadership of the Chicago City Club. This bill would make the city manager plan available by a one per cent petition and popular vote in any city or village in the state. The council which chose the manager would be elected from the city at large on a nonpartisan ballot. It would consist of nine members in any city with a population of 500,000 or more (Chicago), of seven members in any city or village of 50,000 to 500,000, and of five members in any city or village of less than 50,000. It would be elected by P. R. if the question of adopting P. R. were separately submitted and approved, otherwise by majority vote with nominations by petition and a run-off election after the regular election for those members who did not receive a clear majority at the regular election.

An Illinois Council-Manager Conference has been in existence since last June and now has more than a score of coöperating nonpartisan civic organizations in Chicago and in increasing number from other parts of the state, according to the *Chicago City Club Bulletin*. There is also a special Chicago City Manager Committee.

*

P. R. for Presidential Elections.—On February 15th Congressman Clarence F. Lea of Santa Rosa, California, introduced again his resolution to apply the proportional principle to the electoral college. The resolution was reported unanimously by the House Committee on Election of President, Vice-President and Representatives in Congress in the session of 1933-34, but never came to a vote because of the pressure of other business although President Roosevelt let it be known that he favored it at that time. This year the resolution is known as house joint resolution 223 (75th Congress, 1st session). It was referred to the same committee.

Mr. Lea's proposal would abolish personal presidential electors but keep the presidential votes of each state on the present basis of apportionment. These votes would not go in a block to one candidate as at present, however, but would be divided among the presidential candidates in exact proportion to their popular votes within the state. If one candidate polled 24/47ths of the New York

presidential vote, for example, and another candidate 23/47ths, the first candidate would get 24 of the state's electoral votes instead of all 47 and the second would get 23 instead of none at all.

This would make all the votes of each party count instead of only those in states which it carried and would make the election of the wrong candidate (which has happened three times already) much less likely than at present. The plan is considered more practicable than direct popular vote because it does not interfere with the slight electoral advantage of the smaller states. These states could block the adoption of any constitutional amendment which sought to take this advantage from them.

*

A New P. R. Suit in New York.—The attack of Assemblyman E. S. Moran of Brooklyn on the constitutionality of P. R., reported in our last issue, was evidently considered premature by the Democratic organization leaders who had tried unsuccessfully to defeat P. R. last fall at the polls. After the first case had been argued before Supreme Court Justice Brennan in Brooklyn and before the judge had rendered a decision, a new action was brought by a group of eleven well known citizens of the five boroughs, most of them prominent Democrats, before Supreme Court Justice Church in Manhattan. This was a request for a mandamus to restrain the board of elections and the city clerk from taking any steps to put P. R. into effect for the election of councilmen in November.

The petitioners include four members of the Smith charter commission of 1934, which decided by a divided vote to submit P. R. before it was abolished and replaced by the Thacher charter commission which actually submitted it. They also include Mr. Moran.

The case was argued before Justice Church on February 25th, first assistant corporation counsel William C. Chanler defending P. R. on behalf of the city and Abraham S. Gilbert, former chairman of the New York County Republican Law Committee, making the argument for the attack. All five of the Democratic county organizations joined in the legal attack on P. R. and the Republican organizations of Brooklyn and Manhattan intervened in support of its constitutionality. It is expected that the case will be taken promptly to the court of appeals as soon as Judge Church makes his decision.

CITIZENS' COUNCILS

Edited by Geneva Seybold

Montclair Association.—In Montclair, New Jersey, a beautiful suburb some twenty miles from New York City, citizens of high standing are actively interested in their town government. The mayor of the town is the president of McCutcheons', one of the oldest and best known department stores in New York City; the commissioner of revenue and finance is treasurer of the Seaboard Oil Company; the director of public safety is an eminent counsel, specializing in international law; the director of public works, a consultant engineer, is president of the New York Title Insurance Company and president of the Merchants' Association of New York. That men of this calibre are willing to give of their time to the administration of community business indicates a civic consciousness only too seldom found in American cities.

That the man on the street in Montclair possesses a surprising amount of information regarding his local government is not happenstance. Largely responsible is the fact that Montclair has a citizens' council, the Montclair Association, which helped place good men at the head of the government and is now coöperating with them to improve the administration of local affairs.

Montclair has had the commission form of government for about twenty years. As in many other communities machine politics had crept in until a group of politicians was running affairs to suit ends which by no stretch of imagination could be identified with the best interests of the whole community. In 1933 a small number of men who were meeting regularly for economic discussion, inspired by Charles P. Taft's book, "The Cincinnati Experiment," believed a renaissance of Montclair government might be effected through adoption of the city manager plan. A petition for the plan was circulated, a campaign organized, and for a few weeks the ordinarily peaceful little town seethed with excitement.

While most of the area of Montclair is devoted to homes of commuters, there are congested quarters in which there is a large population of Italian factory workers and Negroes. Here the machine was strongly entrenched and here the fight was most bitter. When the votes were counted it was found that the manager plan had lost by the narrow margin of 201—a total of 13,229 votes were cast.

The morning-after stock-taking by those who had worked for manager government was anything but pessimistic. "Even if you fail once," they agreed, "you *can* beat the machine."

According to the law another petition for adoption of the plan could not be filed for two years. The intervening time, it was decided, should not be wasted in marking time. They could try to improve administration within the framework that they had. They would attempt to induce men of excellent qualifications to serve on the commission, try to get the public to understand the problems confronting the commission, and work with the elected officials in solving them. With the expressed objectives of "Better government under the commission form and the ultimate adoption of city manager," the Montclair Association as a nonpartisan civic body renewed its lease on life and outlined definite steps in its new program.

The association prepared a nonpartisan ticket for election of the five commissioners in the fall of 1936 and four of its candidates were elected. Committees of the association were formed to coöperate with the commissioners in studying the functions of government and administrative methods and possibilities for improvement. As a medium for transmitting the committee findings to the citizens of Montclair a fourteen-page bulletin called *Montclair Matters* was started. Edited by Harold Braddock, a prominent public relations counsel whose early experience had included many years of newspaper work, this publication is one of the liveliest and most informative publications issued by a citizens' organization in the country.

The first issue was on the water supply in Montclair. "When You Turn on Your Faucet," "What Price Water Plant," "How the Water Gets to Your Faucet," and "Underground Uncertainties" are typical of the captions under which the town's water system is explained in simple, popular style. Pointing out the shortcomings resultant from the absence of a master plan, the study concludes with an explanation of steps that the commission is taking to put the present system on an economical and efficient basis.

An issue of the bulletin on town planning emphasized the false economy in failure to adopt a town plan, showing by specific example problems of planning in Montclair and suggesting methods for handling them. Another issue on "Our Money's Worth" analyzed Montclair's 1937 budget, breaking down costs according to services rendered by the government. A committee of the town's leading insurance men is examining the insurance methods of the town and their report will provide the subject matter for a bulletin in the near future. There will probably be an issue on the administration of welfare and relief, another on tax assessment and collection. A page of municipal news keeps the citizen informed regarding the most important actions taken by the town commission. Maps and illustrations add to the attractive appearance of the bulletin.

Montclair Matters is sent to all members of the Montclair Association and to about five hundred who are not members. The regular membership fee of the organization is one dollar a year. The association has approximately two thousand members at present.

*

Eastport Civic Association.—"With a citizens' council a community is prepared to sound and express public opinion quickly. When there is no existing organized civic body, each time an issue arises it becomes necessary to organize hurriedly for the purpose of sponsoring or protesting the contemplated action. Considerable valuable time is thus wasted. The citizens' council provides a 'standing committee' ready for any emergency."

In these words Allan J. Lamb, secretary of the Eastport Civic Association, recently expressed what he considered an important advantage of the existence of a citizens' council in any city and specifically of the Civic Association to his own Maryland community. In the four years of its existence the nonpartisan Eastport Civic Association has amply demonstrated its value as a clearing house

between the citizens of the community and the local governing officials. A résumé of a few of the matters with which it has concerned itself indicates its wide usefulness.

The association went on record as being opposed to annexation of Eastport to Annapolis and studied the question of incorporation. It initiated a request for improved postal service for Eastport, advancing plans for a branch post office in Eastport and extension of city delivery service for the improved areas in the outlying sections; worked for a reduction in the local gas and electric rates; sponsored a "clean-up week"; requested the county commissioners to include in their estimate under a public works project an item to cover construction of a badly needed new bridge; was successful in having the Congressional Committee on Rivers and Harbors approve one of the local waterways for deepening and widening; secured the services of a state trooper to aid in traffic regulation during summer months; and opposed a special privilege tax bill for the county.

The association coöperated with WPA officials in having sidewalks laid in Eastport, endorsed plans for a local airport, opposed beer establishments being set up in residential areas, endorsed an old-age pension system for the state of Maryland, and a firemen's relief bill. A set of traffic regulations submitted by the association to the board of county commissioners was adopted by the board, economies that could be made in the lighting system were pointed out, a committee was appointed to prepare a building code for Eastport.

A study of the possibility of providing a disposal area for sludge dredged from Annapolis Harbor resulted in findings that the cost of bulkheading was too great for the property owners concerned. The association urged the Maryland Public Service Commission to protect the interest of the Baltimore and Annapolis Railroad in connection with a petition of a bus line to compete for passenger traffic between Baltimore and Annapolis; it initiated a movement to establish a people's court in the county and a county police department.

The council has been especially helpful in determining which of many projects which were possible under the PWA set-up were most needed and desired by the community. It has worked in coöperation with the board of county commissioners, the school board, the sanitary commission, the metropolitan sewerage commission, the welfare board, and state and federal agencies. Last year the association sponsored and helped organize the Civic Federation of Anne Arundel County which brings together representatives of various interests in the county even as the Eastport Civic Association does this for Eastport.

GOVERNMENTAL RESEARCH ASSOCIATION NOTES

Edited by Robert M. Paige

Chicago Civic Federation and Bureau of Public Efficiency.—Throughout the year the Civic Federation and Bureau of Public Efficiency has worked unceasingly to secure action to clear up the Cook County tax delinquency muddle. In our "Third Annual Study of Debts, Taxes, Assessments" (March 1936) we offered a series of suggestions on the problem which now appear likely to be given effect. Leading civic organizations have worked together whole-heartedly in this endeavor. The study has been widely used by local governments, federal agencies, financial houses, and property owners. As a supplement we published in August a summarized reference study of refunding and funding operations of the sanitary district, Chicago park district, Cook County, and forest preserve district, showing the revised funded debt situation in each of these governments.

Legislation was recommended to avoid chaos and waste in Cook County relief administration, and we believe that if the present legislature is well advised it will seriously consider the administration of relief by a centralized agency (in Cook County by the County Bureau of Public Welfare instead of by thirty-one separate political agencies).

Alarmed by the magnitude of the relief problem, we were instrumental in calling a conference of twelve leading local and state organizations, resulting in the formation of the Joint Committee on Costs of Relief, with the president of the Federation and Bureau as its chairman. We supplied headquarters and directional services to this committee.

In December we published a study entitled

"A Preliminary Word About 1937 Budgets," and filled requests for many thousand copies of this report. Prospective 1937 budgets of each of the major Chicago governments were analyzed and statements presented at all budget hearings.

A full time accountant has been added to our staff, and in general we feel that the work of the organization has moved rapidly forward during 1936.

We are at present engaged in the completion of our 1937 budget work, attendance at legislative sessions at Springfield, and the compilation of the "Fourth Annual Study of Debts, Taxes, Assessments."

DOUGLAS SUTHERLAND, *Executive Secretary*

Citizens Budget Commission, Inc. (New York City).— The commission continued during the year its nonpartisan work for economy and efficiency in New York City government. Aiming for constructive economies, it was supported in its activities by a council of consultants composed of representatives of 150 civic organizations.

Revision of the city charter was the subject first in public interest and importance. The commission aided the Charter Revision Commission in the setting up of new fiscal machinery affecting the collection and expenditure of public funds. Its recommendation for a single city-wide department of public works, to do the work heretofore performed by five separate borough departments, was adopted. Similar constructive help was given in framing the pattern and structure of the new and unified department of housing and buildings.

Unification of the two privately-operated subway lines and also the city's independent subway system was a subject of detailed studies made for the Commission by LeRoy T. Harkness, former transit commissioner. Counsel to the Commission presented extended testimony on the pending unification plan before the transit commission. During the unification negotiations the budget commission has consistently maintained that the only sound basis for unification is a flexible fare.

Mandatory legislation enacted by the state has forced the city for many years to large and unnecessary expenditures. Of the total 1937 budget, 36 per cent is thus taken out of the control of the duly elected appropriating city officials. Successive mayors of the city have protested but without any action to relieve this irregular and costly situation. A bill to repeal mandatory legislation was introduced last year in the state legislature, and fifty civic groups allied with the budget commission petitioned for enactment of the measure. While the bill failed of passage, it obtained such public support that repeal of mandatory laws is inevitable in the near future. The commission initiated the movement for an end to state interference in New York City's affairs, and has headed the three-year fight for this much needed reform.

The commission instituted court action under which the court of appeals declared invalid an act requiring the immediate establishment of a three-platoon system in the fire department. A substitute bill enacted in accordance with law permitted the three-platoon system but with savings to the city during the next three years of approximately $10,000,000.

The commission coöperated with the city comptroller and the city's bankers in securing an amendment relative to the refunding of revenue notes issued in anticipation of the collection of taxes of 1933 and prior years. Under the amendment, future collections of these taxes are earmarked for the servicing of the refunding notes and other non-operating expenses. The amendment prevents the city from expanding its spending capacity for general operating purposes by approximately $30,000,000 over a period of five years.

Pay restoration bills were successfully resisted by the commission. These threatened an increase of $18,000,000 in the 1937 payroll costs of the city.

Pension benefits unwarrantedly claimed by a teacher and illegally allowed by the teachers' retirement system were successfully litigated by the commission. The principle at issue here involved large amounts.

A project for extension of the city's water supply was studied by the commission's engineering staff and proposals for reduction of the proposed cost of $273,000,000 were laid before the board of water supply, the mayor, and the corporation counsel.

The 1937 budget engaged much of the commission's effort during the latter half of the year. The commission was represented

at all hearings of the budget director on departmental requests for 1937 appropriations, and supplied information to the city and the public in relation to these requests. It recommended specific reductions in the budget aggregating $16,000,000. These proposals were rejected, mainly on grounds, in the opinion of the commission, inconsistent with the best interests of the city. A similar result followed the commission's support of the Municipal Civil Service Commission's objection to a local bill giving automatic annual salary increases to lower paid civil service workers, regardless of merit.

The commission actively participated in the solution of many other problems affecting the city government. As a result of its varied work, it believes that the year just closed has brought a change in public psychology respecting public spending. The close relation between cost of government and cost of living is temporarily blurred. While the course of the pendulum is in the direction of extravagantly inflated spending, redoubled effort to curb public extravagance is of twofold importance. First, these efforts tend to restrain excesses which must inevitably precipitate future financial crises in municipal affairs. Second, they prepare the public mind to demand orderly and swift retrenchment when the pendulum begins to swing in the opposite direction, as it must surely and soon.

*

Research Division of the Law Department of the City of Chicago.—Launched as an experiment in the fall of 1935, the Research Division of the Chicago Department of Law wound up its first full year of existence in 1936 as a well established unit in the legal agency of the nation's second city. In the words of Corporation Counsel Barnet Hodes, who created the division, its broad objective is to "coördinate the social and economic spheres with the law." An additional task is to study administrative procedures within the Department of Law as a whole and to make recommendations for improvements. While this division, which judging from the numerous inquiries has created national interest, must still be considered in an experimental stage, it is possible to report that progress has been made along both of these fronts. In the year 1936 alone the research division prepared ten major reports for the corporation counsel, as well as over three hundred memoranda, and in addition compiled a volume of opinions and an amendment guide to the Chicago code.

In its task of "coördinating the social and economic fields with the law" the division makes independent, factual studies, with an attempt at an objective view and a minimum of bias in connection with both current legal developments and perennial problems. As an example of its activity in connection with a current problem its participation in the effort of the city administration to obtain a reduction in fire rates may be cited. While the regular legal staff handled the legal aspects and the negotiations, the research division prepared a factual report, with statistical tables and charts, showing the methods used by fire insurance companies in determining rates, the trend of rates over a ten-year period, and the relationship between rates, fire losses, and premiums paid in Chicago. It is believed that this is the first time such a study has been made for an individual city.

Other problems given similar treatment involved parking meters, "bank nights," and noise abatement. The approach in these studies is definitely non-legal, as the research division does not in any way supplant the work of the lawyers in the office, but rather supplements their work by application of objective fact-finding techniques.

In addition to this type of research, the division was engaged in work related more closely to the strictly legal activity of the department. For example, it carried the major burden of preparing for publication a volume of 1,130 pages containing approximately 2,600 opinions of the Department of Law for the almost seven-year period from April 15, 1929, to December 1, 1935. This volume is organized according to an entirely new plan, the product being not a mere compilation of opinions, but rather a practical textbook on actual legal problems confronting a municipality. It is designed for the education and information of students, laymen, and governmental officials as well as lawyers.

The research division also prepared an "Amendment Guide" to the Chicago code which solved the problem of keeping the code up to date. This guide contains all amendments enacted since the code was published

and is to be kept up to date by issuing monthly bulletins.

The perfection of the administrative mechanics for coördinated action and centralized supervision of the work of the Department of Law has been the subject of continuous research. For instance, in 1936 a progress reporting system was developed for the department by which the executive head for the first time is able to know the status of the work of the department at all times. During the past year an efficient system of intra-departmental records and reporting has been established. In addition, there have been studies of various individual activities of the Law Department for improved techniques and results.

The staff of the division is composed wholly of college trained persons and the emphasis is upon background in political science and research. The staff was organized by Dr. Albert Lepawsky of the University of Chicago Political Science Department, and he shaped its program for nine months before joining the staff of the Public Administration Clearing House.

RALPH BURTON, *Assistant Director*

*

Municipal Research in Ludlow, Massachusetts.—The program of municipal research begun by the Ludlow Manufacturing and Sales Company in 1934 is now in its third year. The work is limited to the problems of government and administration of the town of Ludlow (population 8,569).

During the winter and spring (1935-36) seventeen issues of *Town Affairs* were published for the Ludlow Civic League. The material was made up of condensed research findings, explanations of a proposed council-manager administrative set-up, and general discussion of town business. Publication was resumed in January of the current year.

The volume of town business is such that it is possible to maintain a week-by-week scrutiny of town expenditures with particular reference to material purchases, relief costs, etc. It is also possible for the director to maintain fairly close contact with the work of the more important departments.

The director is serving as unofficial consultant and assistant to a committee appointed under authority of the town meeting to revise the town by-laws. Conditions are such that this involves the preparation of a completely new code.

Supplementing the work on by-laws, brief studies have been made of the practice of charging fees for several inspectional services, and the actual income of some town officials from fees allowed by statute but not reported to the town.

During January a report recommending improvements in budgeting procedure was given a limited local circulation.

In Ludlow, as in larger municipalities, the difficult task is not that of finding ways to improve administration and reduce costs but rather that of educating citizens to demand better public administration.

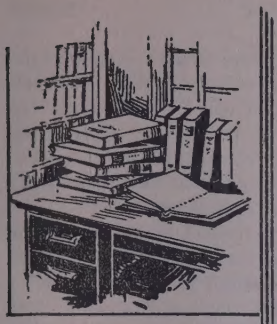
E. E. MARINER
Director of Municipal Research
Ludlow Manufacturing and Sales Company

*

Bureau of Municipal Research of The University of Texas.—The bureau in 1936 published five studies dealing with phases of local, and particularly municipal, government. Both of J. T. Barton's related studies, *A Debt Administration Manual for Texas Cities* and *City Indebtedness in Texas,* were based on data from a representative sample (10 per cent) of Texas' 580 incorporated cities and towns. They are designed to serve respectively as a guidebook for municipal debt administration and a history and survey of municipal debt in Texas. *Urban Local Government in Texas,* by Roscoe C. Martin, director of the bureau, is a comprehensive study of the five major urban counties in the state, and sets forth suggested means of avoiding in these areas some of the metropolitan problems faced by more populous districts in other states. One course which receives particular attention is that opened by a recent constitutional amendment making possible county home rule. *The Texas Municipal Civil Service,* by R. Weldon Cooper, includes information from 260 of the 341 incorporated towns of one thousand population and over in the state. It provides a thorough survey and points the way toward efficient personnel administration in Texas municipalities. *Municipal Public Reporting in Texas,* by J. T. Barton, is a study of the types of public reporting, and outlines a comprehensive reporting program for governmental agencies. These publications were made available to several hundred municipal officials throughout the state.

The bureau coöperated with the recently

(Continued on Page 160)



RECENT BOOKS REVIEWED

EDITED BY GENEVA SEYBOLD

The One-House Legislature. By John P. Senning. New York, McGraw-Hill Book Company, Inc., 1937. 118 pp. $1.50.

A focus of attention this legislative session, the unicameral legislature in Nebraska is breaking ground. Last month's REVIEW carried an article describing the personnel of the new legislature and the rules under which it began functioning.

In the hard-fought campaign which led to passage of the amendment providing for the new type of legislature John P. Senning, professor of political science at the University of Nebraska, took a prominent part. Having made a thorough study of bicameralism and the unicameral movement in the United States, he could speak with convincing authority. In his book he gives the historical development of state legislatures from the formulation of the first state constitutions during the Revolutionary War until adoption of the unicameral legislature in Nebraska, showing how the machinery has become cumbersome, unresponsive, and unwieldy. He presents the arguments in favor of the single-house legislature that were most effective during the campaign.

Suggestions for the improvement of the legislative process under the new system include the improvement of the committee system, an increased field of action for the legislative reference bureau, the adoption of a legislative council, and strict regulation of the lobby. Some of the suggested rules relating to the committee system have been adopted.

The book shows indications of having been put together hastily and the tone of parts of it is that of a campaign pamphlet but this can perhaps be excused in light of the volume's timeliness. Its condensation of background material should be helpful to any state contemplating administrative reorganization. There is a bibliography of material on state legislatures. Senator Norris has contributed a foreword in which he presents several interesting ideas of his own relative to rules that might be adopted to advantage by the unicameral legislature.

*

The Police and Modern Society. By August Vollmer. Berkeley, University of California Press, 1936. 253 pp. $2.50.

We must face the fact that crime in the United States is growing. In 1934 the United States had a homicide rate of 12.1 per 100,000 population as contrasted with 0.78 per 100,000 in England. More major crimes were committed in Chicago in the year 1932 than in all the cities and counties of England and Wales.

In an uneasy searching for an explanation of our distressing crime record we are very likely to blame the police. "The Police and Modern Society," written by August Vollmer, former chief of police at Berkeley, a pioneer in the development of police training, and at present professor of police administration in the University of California, tells us bluntly why we cannot shift responsibility onto the men we hire to maintain the law. The police can go only so far as the public will let them; they can do only that in which public opinion will uphold them. "The Police and Modern Society" is a disquieting book which draws the direct inference that citizens of the United States are responsible for whatever lack there is in law enforcement.

The greatest weakness of police departments in this country, the author believes, is perhaps the poor quality of personnel—badly

placed, inadequately trained, and held in poor respect by the people. Lack of coördination among the many separate, independent police agencies is a severe handicap, of which lawbreakers take full advantage. With modern means of rapid transportation it is easy for the lawbreaker to get outside the jurisdiction of the local authority.

Lack of compulsory registration for criminals is seen as another drawback. The shyster attorney and political "pull" are other handicaps, but greatest of all is "the overwhelmingly indifferent, negative attitude of the public, punctuated by spasms of short-lived, ineffectual indignation that in no small degree nullify the effectiveness of police and other restrictive governmental authority."

The graphic presentation of the policeman's side of the picture—the problems he faces, the ways in which he tries to meet them, and the difficulties he encounters—does much to strengthen the indictment that the citizen is not doing his part. Chapters are devoted to major crimes, vice as a police problem, traffic, general service, crime prevention, and personnel. It is a book of practicality, not theory, pointed up with illustrative material drawn from the long experience of the author. And ever Chief Vollmer pounds his message home —the necessity for public coöperation with the police for successful crime control.

*

Housing Management: Principles and Practices. By Beatrice Greenfield Rosahn and Abraham Goldfeld. New York, Covici-Friede, 1937. 414 pp. $4.00.

Beatrice Greenfield Rosahn was talking housing management before the phrase had a commonly understood meaning in this country. She is now secretary of the American Society of Women Housing Managers. Abraham Goldfeld is manager of the Lavanburg Homes in New York City, one of the best known housing foundation projects in the United States. From these authoritative sources comes the first comprehensive, practical book on how to manage large scale housing developments. The space devoted to theory is not more than a few pages. But there are specific instructions to janitors, listing their duties one, two, three; information on boiler maintenance and methods of firing; advice on selection of a staff, training and handling personnel.

There are practical words regarding the selection and placement of tenants and rules and regulations that may be enforced for the greater comfort of tenants and preservation of the property. A chapter on legal, accounting, and statistical practices has been contributed by William T. Harrison.

We have in the United States two major types of housing projects. The first is the garden city type which attempts to provide all the services of a complete community. The other is the straight urban apartment type where little more is attempted than provision of shelter. But even in the latter type management has found the provision of recreational facilities of great value. No matter how small or large the recreational and social program that is attempted, the authors stress the importance of spontaneity in community activities. Tenants do not care to have their leisure time too carefully planned; they prefer to do some of the planning themselves. If management will provide space for social activity and equipment, activities will arise naturally.

While housing management is comparatively new, we have a considerable body of experience that can be drawn upon; thus approximately half the book is devoted to a detailed description of the management practices of nine large scale, limited dividend, and non-profit housing projects located in the east and middle west.

The appendix containing an article on the "Law of the Landlord and Tenant" by Joshua S. Chinitz and an excellent bibliography designed for housing managers should not be overlooked.

The increasing numbers of young men and women who are turning to housing management as a profession will find this book an unexcelled text and handbook. The housing manager on the job must find in its hundreds of suggestions, gleaned from the combined experience of pioneers in the field, some that have not previously occurred to him and which can be followed to advantage. The book appears at a most timely moment as interest in public housing is growing.

*

Training Career Public Servants for the City of New York. By O. Glenn Stahl. New York City, Department of Government, New York University, 1936. 262 pp. mimeo.

Second only to the federal government in

the number of its employees, the city of New York with 142,885 on its payroll is an important laboratory for a comprehensive study of the training phases of a career service. Mr. Stahl's study emphasizes the following principles: (1) The recruitment of new employees only to lower positions in each classification of service and the filling of higher posts by promotion and transfer; (2) The articulation of recruitment with various stages in the public educational process; (3) In regard to preentry training, the basing of entrance examinations largely on subjects taught in the schools, with emphasis on the measuring of general capacity or technical proficiency rather than of specific knowledge of the position to be filled; (4) The development of a comprehensive system of in-service training in all departments to increase the usefulness of the municipal employees.

Criticism is directed toward the great number of overlapping titles and salary grades in the service which indicates a need for reclassification of positions and salary standardization. After pointing out in what respects the Municipal Civil Service Commission has made progress since 1934 under Fusion administration, the author concludes with a broad program of coöperation between the municipal government and the educational institutions in New York City to assure for the city a continuing body of trained career servants.

SOPHIA A. OLMSTED

*

STUDIES

Municipal Ownership of Electric Undertakings in Virginia. By Rowland Andrews Egger and James Edward Gates. University, Virginia, Bureau of Public Administration, 1937. 132 pp. mimeo. $1.00.

Information on the operation and cost of municipal electric plants is much in demand. A real contribution is this detailed study of the 431 municipally owned electric plants in Virginia. It includes a description of the development of municipal ownership in Virginia, the legal background, and deals with the administrative organization and management of the plants with particular attention to the relationships of management to the political authorities of the cities and towns in which the plants are located.

A section on financing and distribution of profits is particularly illuminating. The frequently encountered argument that municipally operated plants have an advantage over those privately owned because the former pay no taxes is met with the data showing that in Virginia the contributions made by municipal plants in the form of free electricity and cash contributions to the municipal treasury far outweigh the tax bill of the private utilities.

Attention is called to the inadequate methods of accounting and financial reporting in both private and public utilities. Analysis of rates shows that with a few exceptions the rates charged by municipal plants are lower than those charged by the private companies for like quantities of electricity used for domestic purposes in communities of like size.

The study is neither a defense nor an attack upon public ownership—the purpose is merely to analyze the way in which municipal light plants in the state are being run with the thought that such a survey would bring to light possibilities for improvement. Dr. William E. Mosher has contributed an introduction to the study interpreting its findings in the light of conclusions of studies made in other states.

*

The Effect of Homestead Exemption in Rhode Island. By the Providence Governmental Research Bureau, 1936. 8 pp. mimeo. Apply to the Bureau.

This study of proposed laws designed to exempt homesteads from the general property tax shows the estimated loss in taxable assessed valuation for the state and for the cities of Rhode Island.

*

General Study of Cost and Volume of Social Welfare Activities in Kansas City, Missouri. By Margaret Klein. Kansas City, Missouri, Civic Research Institute, 1936. 41 pp. mimeo. Apply to the Institute.

This is the first survey that has been made of the extent and cost of all social welfare activities both public and private in Kansas City. It contains the financial and service statements for 1935 of sixty-five organized private agencies and all five public agencies functioning in the city. One of the purposes of the study was to enable each of these agencies to view its activities in relation to those of other groups so that the total problems might be met more intelligently.

Improving Assessments. By Mabel L. Walker. New York, Tax Policy League, 1937. 14 pp. mimeo. Twenty-five cents.

Constructive suggestions are offered relative to ways in which assessments can be improved, and the extent to which they are being improved is described.

*

Township Organization in Missouri. By William L. Bradshaw and Milton Garrison. Columbia, Missouri, University of Missouri, 1936. 70 pp. $1.25.

Out of the 114 counties in Missouri 24 have municipal townships which are units of local government incorporated and organized under the optional township organization law. There are 345 of these incorporated townships in the state each having an elective board of directors which exercises some discretion in the raising and disbursement of public funds, primarily for local road purposes. This study explains the system and describes the administration, services, functions of officers, and cost, coming to the conclusion that in the interests of efficiency and economy the township organization should be abandoned in favor of the county unit plan.

*

Cost of Government in Indiana. Vol. III. By Indiana Taxpayers Association. Indianapolis, 1936. 88 pp. mimeo. Apply to the Association.

This study, made up entirely of tables and charts, shows the history of the cost of state and local government in Indiana, outstanding bonded indebtedness of the local units, collections and disbursements made possible through gross income, excise, and intangible taxes, and other comparatively new sources of revenue, and the revenue derived from the gasoline tax and auto license fees. Governmental costs for the last three years are compared and there is also a comparison of the bonded indebtedness of various units.

*

The Civil Service in Modern Government. By the National Civil Service Reform League, New York, 1936. 58 pp. 25 cents.

A condensed summary of the merit system in civil service giving the background of events leading to civil service reform, a short description of the Pendleton Act, and steps taken since its passage to strengthen and weaken the merit system. In even so brief a treatment it has been possible to show what the merit system might be were we willing to adopt suggested improvements.

*

Experiments in the Mental Testing of Detroit Policemen. By John R. Searles and J. M. Leonard. Detroit, Detroit Bureau of Governmental Research, 1936. 54 pp. 75 cents.

Detroit was one of the first cities in the country to introduce police training and was also one of the first to become interested in the use of the mental test in selecting recruit patrolmen. In 1920 experiments were made with the Army Alpha test and in the years since then three other types of mental tests have been tried. This study describes the experiments and gives the conclusions derived from them.

Having decided that the Army Alpha or other similar general intelligence test was the most useful method of selecting applicants for police work, the Detroit police department set up a minimum requirement of an Army Alpha score of one hundred which it has been demonstrated is about the equivalent of completion of the second year of high school. The mental test is only one part of the process of selecting police personnel. The candidate must also take physical and medical examinations, undergo character investigation, and survive interviews with the recruiting officer.

The study includes a brief description of the program of Detroit's police training school.

*

GOVERNMENTAL RESEARCH ASSOCIATION

(Continued from Page 156)

created (1935) State Department of Public Safety in a series of eight-week schools for new recruits. These schools were held in December of 1935 and the first half of 1936, and included courses ranging from self-defense to government. The Bureau of Municipal Research made members of its staff available for teaching the classes in government.

Coöperation between the Bureau of Municipal Research and the League of Texas Municipalities has continued. The bureau has assisted in the annual conferences of the league and of the Municipal Finance Officers' Association of Texas, and has had representatives at the league's various regional meetings throughout the year